

**Village of Nampa**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

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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.

April 19, 2016

A handwritten signature in cursive script that reads "Dianne Roshuk".

Chief Administrative Officer

## Auditors' Report

To the Mayor and Council of  
The Village of Nampa

We have audited the accompanying consolidated financial statements of the Village of Nampa, which comprise the statement of financial position as at December 31, 2015, and the statements of financial activities, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Nampa as at December 31, 2015, the results of its financial activities, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Peace River, Alberta  
April 19, 2016

Chartered Professional Accountants

**VILLAGE OF NAMPA  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2015 \$	2014 \$ (restated) Note 19
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	1,797,232	1,714,015
Receivables		
Taxes and grants in lieu of taxes (Note 3)	405,340	428,740
Receivable from other governments	38,556	49,480
Trade and other receivables	400,814	557,955
Land inventory held for resale	76,510	76,510
	<u>2,718,452</u>	<u>2,826,700</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	205,993	190,008
Deposit liabilities	8,150	8,850
Deferred revenue (Note 4)	599,561	564,122
Due to related party (Note 7)	586,817	643,706
Post closure liability	550,859	461,509
Long term debt (Note 5)	2,282,296	2,015,423
	<u>4,233,676</u>	<u>3,883,618</u>
<b>NET FINANCIAL DEBT</b>	<u>(1,515,224)</u>	<u>(1,056,918)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	3,860,768	3,811,522
Tangible capital assets of Peace Regional Waste Management Company (Note 8)	973,526	1,132,476
Tangible capital assets of NEW Water Ltd. (Note 8)	17,296,631	17,309,360
Inventory for consumption	16,405	15,525
Prepaid expenses	25,114	21,532
	<u>22,172,444</u>	<u>22,290,415</u>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<u>20,657,220</u>	<u>21,233,497</u>

Commitments and contingencies - See Note 13

Approved by

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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, 2015**

	Budget \$	2015 \$	2014 \$ (Restated) Note 19
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	501,632	426,300	536,967
User fees and sale of goods	271,252	273,892	256,873
Government transfers for operating (Schedule 4)	562,408	332,070	299,159
Peace Regional Waste Management Company	1,149,843	601,383	1,065,062
NEW Water Ltd.	299,500	264,042	217,829
Investment income	1,500	8,234	5,340
Penalties and costs on taxes	19,447	18,700	19,491
Other revenues	58,395	48,500	42,101
<b>Total revenues</b>	<u>2,863,977</u>	<u>1,973,121</u>	<u>2,442,822</u>
<b>EXPENSES</b>			
<b>Operating</b>			
Legislative	44,783	35,470	39,265
Administration	189,071	249,693	246,214
Family and community support	24,001	15,330	19,382
Fire and bylaws enforcement	36,400	34,347	38,506
Roads, streets, walks lighting	266,986	342,345	341,654
Peace Regional Waste Management Company	684,429	975,841	983,839
Water supply and distribution	346,988	225,351	289,710
Waste management	23,000	18,742	16,774
Subdivision land development	18,000	24,600	17,155
Recreation and parks	25,617	49,980	46,764
NEW Water Ltd.	547,801	566,431	602,200
Culture, library and other	11,900	57,585	3,510
<b>Total Expenses</b>	<u>2,218,976</u>	<u>2,595,715</u>	<u>2,644,973</u>
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUES) - BEFORE OTHER</b>	645,002	(622,594)	(202,151)
<b>OTHER</b>			
Contributed assets	-	(445,336)	-
Recovery of previously contributed assets	-	341,798	-
Government transfers for capital (Schedule 4)	-	149,855	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>645,002</u>	<u>(576,277)</u>	<u>(202,151)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>	21,248,537	21,248,537	21,449,944
<b>PRIOR PERIOD ADJUSTMENT (Note 19)</b>	<u>15,423,393</u>	<u>(15,040)</u>	<u>(14,296)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED</b>	<u>36,671,930</u>	<u>21,233,497</u>	<u>21,435,648</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>37,316,932</u>	<u>20,657,220</u>	<u>21,233,497</u>

See accompanying notes to the financial statements

**VILLAGE OF NAMPA  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget \$	2015 \$	2014 \$ (Restated) Note 19
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>645,002</u>	<u>(576,277)</u>	<u>(202,151)</u>
Acquisition of tangible capital assets	-	(1,223,793)	(750,417)
Contributed assets	-	445,336	-
Proceeds on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	-	900,890	916,769
Gain on sale of tangible capital assets	-	-	-
	<u>-</u>	<u>122,433</u>	<u>166,352</u>
Acquisition of supplies inventories	-	(16,405)	(15,525)
Acquisition of prepaid assets	-	(25,114)	(21,532)
Use of supplies inventories	-	15,525	16,553
Use of prepaid assets	-	21,532	20,447
	<u>-</u>	<u>(4,462)</u>	<u>(57)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<u>645,002</u>	<u>(458,306)</u>	<u>(35,856)</u>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR AS PREVIOUSLY STATED</b>	1,274,491	(1,041,878)	(1,006,766)
<b>PRIOR PERIOD ADJUSTMENT (Note 19)</b>	<u>(2,281,258)</u>	<u>(15,040)</u>	<u>(14,296)</u>
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR AS RESTATED</b>	<u>(1,006,767)</u>	<u>(1,056,918)</u>	<u>(1,021,062)</u>
<b>NET FINANCIAL DEBT, END OF YEAR</b>	<u><u>(361,766)</u></u>	<u><u>(1,515,224)</u></u>	<u><u>(1,056,918)</u></u>

**VILLAGE OF NAMPA  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 \$	2014 \$ (Restated) Note 19
	<u>                    </u>	<u>                    </u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (deficiency) of revenues over expenses	(576,277)	(202,151)
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	900,890	916,769
Recovery of contributed assets	(341,798)	
Contributed assets	445,336	-
Non-cash charges to operations (net change):		
Increase in taxes and grants in lieu receivable	23,400	(83,279)
Decrease (increase) in trade and other receivables	157,141	(24,314)
Decrease (increase) in receivable from other governments	10,924	(42,685)
Decrease (increase) in land held for resale	-	-
Decrease in inventory for consumption	(880)	1,075
Decrease (increase) in prepaid expenses	(3,582)	(1,085)
Increase in accounts payable and accrued liabilities	15,985	14,345
Increase in deposit liabilities	(700)	945
Decrease in deferred revenue	35,439	88,860
Increase in post closure liability	89,350	(28,392)
Tangible capital assets transferred to land held for resale	-	-
Cash provided by operating transactions	<u>755,228</u>	<u>640,088</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(1,223,793)	(750,417)
Sale of tangible capital assets	-	-
Cash applied to capital transactions	<u>(1,223,793)</u>	<u>(750,417)</u>
<b>FINANCING</b>		
Long-term debt repaid	(146,265)	(271,685)
Debt proceeds	754,936	180,000
Increase in due to related party	(56,889)	21,151
Cash provided by (applied to) financing transactions	<u>551,782</u>	<u>(70,534)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>83,217</b>	<b>(180,863)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u><b>1,714,015</b></u>	<u><b>1,894,878</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u><b>1,797,232</b></u></u>	<u><u><b>1,714,015</b></u></u>
See accompanying notes to the financial statements		
	2015 \$	2014 \$
<b>Cash and cash equivalents is made up of:</b>		
Cash and temporary investments (Note 2)	1,802,232	1,719,015
Less: restricted portion of cash and temporary investments (Note 2)	(5,000)	(5,000)
Temporary bank indebtedness	-	-
	<u><u><b>1,797,232</b></u></u>	<u><u><b>1,714,015</b></u></u>



VILLAGE OF NAMPA  
 SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 SCHEDULE 1

	2015	2014
	\$	\$
		(Restated)
		Note 19
Unrestricted Surplus		
Restricted Surplus		
Equity in Tangible Capital Assets		
<b>BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED</b>	<b>21,248,537</b>	<b>21,449,944</b>
<b>PRIOR PERIOD ADJUSTMENT (Note 19)</b>	<b>(15,040)</b>	<b>(14,296)</b>
<b>BALANCE, BEGINNING OF YEAR AS RESTATED</b>	<b>21,233,497</b>	<b>21,435,648</b>
Excess of revenues over expenses	(576,277)	(202,151)
Current year funds used for tangible capital assets	(1,223,793)	-
Contributed assets	445,336	-
Recovery of contributed assets	(341,798)	-
Debt proceeds	754,936	-
Annual amortization expense	900,890	-
Long term debt repaid related to TCA	(146,265)	-
Change in accumulated surplus	(186,971)	(389,306)
<b>BALANCE, END OF YEAR</b>	<b>20,657,220</b>	<b>21,233,497</b>

See accompanying notes to the financial statements

VILLAGE OF NAMPA  
 SCHEDULE OF TANGIBLE CAPITAL ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 SCHEDULE 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2015 \$	2014 \$
<b>COST:</b>								
<b>BALANCE, BEGINNING OF YEAR</b>	589,854	135,099	266,454	5,292,670	385,076	146,845	6,815,998	6,546,226
Acquisition of tangible capital assets	-	-	754,937	168,021	19,119	-	942,077	269,772
Construction-in-progress	-	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	(1,097,630)	-	-	(1,097,630)	-
Write down of tangible capital assets	-	-	-	-	-	-	-	-
<b>BALANCE, END OF YEAR</b>	589,854	135,099	1,021,391	4,363,061	404,195	146,845	6,660,445	6,815,998
<b>ACCUMULATED AMORTIZATION:</b>								
<b>BALANCE, BEGINNING OF YEAR</b>	-	67,493	178,799	2,425,018	222,804	110,362	3,004,476	2,774,364
Annual amortization	-	6,308	19,792	172,426	18,805	7,497	224,828	230,112
Accumulated amortization on disposals	-	-	-	(429,627)	-	-	(429,627)	-
<b>BALANCE, END OF YEAR</b>	-	73,801	198,591	2,167,817	241,609	117,859	2,799,677	3,004,476
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	589,854	61,298	822,800	2,195,244	162,586	28,986	3,860,768	3,811,522
2014 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	589,854	67,606	87,655	2,867,652	162,272	36,483	3,811,522	

See accompanying notes to the financial statements

**VILLAGE OF NAMPA  
SCHEDULE OF PROPERTY TAXES LEVIED  
FOR THE YEAR ENDED DECEMBER 31, 2015  
SCHEDULE 3**

	Budget \$	2015 \$	2014 \$
<b>TAXATION</b>			
Real property taxes	547,778	<b>550,102</b>	469,455
Linear property taxes	32,972	<b>32,935</b>	27,942
Grants in lieu of taxes	-	-	-
Business taxes	-	-	-
Local Improvement taxes	45,882	-	180,000
Early payment tax discounts	(16,000)	<b>(27,047)</b>	(22,354)
Tax cancellations	-	<b>1,123</b>	-
	<u>610,632</u>	<u><b>557,113</b></u>	<u>655,043</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	101,000	<b>117,114</b>	107,942
North Peace Housing Foundation	8,000	<b>13,699</b>	10,134
	<u>109,000</u>	<u><b>130,813</b></u>	<u>118,076</u>
<b>NET MUNICIPAL TAXES</b>	<u>501,632</u>	<u><b>426,300</b></u>	<u>536,967</u>

See accompanying notes to the financial statements

**VILLAGE OF NAMPA  
 SCHEDULE OF GOVERNMENT TRANSFERS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 SCHEDULE 4**

	Budget \$	2015 \$	2014 \$
<b>TRANSFERS FOR OPERATING:</b>			
Provincial Government	312,408	82,070	49,159
Other Local Governments	250,000	250,000	250,000
	<u>562,408</u>	<u>332,070</u>	<u>299,159</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Government	-	149,855	-
	<u>-</u>	<u>149,855</u>	<u>-</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>562,408</u>	<u>481,925</u>	<u>299,159</u>

See accompanying notes to the financial statements

**VILLAGE OF NAMPA  
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT  
FOR THE YEAR ENDED DECEMBER 31, 2015  
SCHEDULE 5**

	Budget \$	2015 \$	2014 \$
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	648,151	<b>667,720</b>	641,314
Contracted and general services	543,955	<b>468,995</b>	481,901
Materials, goods, supplies and utilities	341,439	<b>301,702</b>	274,979
Provision for allowances (recovery)	1,000	<b>(4,674)</b>	36,917
Provision for reclamation	157,143	<b>89,350</b>	186,030
Transfers to local boards and agencies	8,900	<b>21,298</b>	25,350
Interest on capital long-term debt	114,780	<b>61,615</b>	42,890
Amortization of tangible capital assets (Schedule 2)	333,333	<b>900,890</b>	916,769
Gain (loss) on disposal of tangible capital assets	-	-	-
Other expenses	70,275	<b>88,819</b>	38,823
	<u>2,218,976</u>	<u><b>2,595,715</b></u>	<u>2,644,973</u>

See accompanying notes to the financial statements

**VILLAGE OF NAMPA  
SCHEDULE OF SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2015  
SCHEDULE 6**

	General Government	Protective Services	Transportation Services	Peace Waste Management	NEW Water Ltd.	Environmental Services	Recreation, Culture & Other	Total \$
<b>REVENUE</b>								
Net municipal taxes	426,300	-	-	-	-	-	-	426,300
Government transfers	250,000	-	149,855	-	-	19,806	62,264	481,925
User fees and sales of goods	7,613	-	3,485	591,250	249,339	262,794	-	1,114,481
Investment income	8,234	-	-	8,335	-	-	-	16,569
Other revenues	67,200	-	-	1,798	14,703	-	-	83,701
	<u>759,347</u>	<u>-</u>	<u>153,340</u>	<u>601,383</u>	<u>264,042</u>	<u>282,600</u>	<u>62,264</u>	<u>2,122,976</u>
<b>EXPENSES</b>								
Contract & general services	109,432	25,000	37,735	123,015	49,615	100,078	24,120	468,995
Salaries & wages	119,021	-	85,914	279,359	95,169	57,920	30,337	667,720
Goods & supplies	19,276	7,168	60,905	112,070	90,113	9,803	2,367	301,702
Provision for reclamation	-	-	-	89,350	-	-	-	89,350
Transfers to local boards	-	-	-	-	-	-	21,298	21,298
Long term debt interest	18,352	-	5,064	-	-	38,199	-	61,615
Other expenses	102,179	-	2,875	(4,824)	32,343	110	55,000	187,683
	<u>368,260</u>	<u>32,168</u>	<u>192,493</u>	<u>598,970</u>	<u>267,240</u>	<u>206,110</u>	<u>133,122</u>	<u>1,798,363</u>
<b>NET REVENUE BEFORE AMORTIZATION</b>	391,087	(32,168)	(39,153)	2,413	(3,198)	76,490	(70,858)	324,613
Amortization expense	(20,439)	(2,179)	(149,851)	(376,871)	(299,191)	(37,986)	(14,373)	(900,890)
<b>NET REVENUE</b>	<u>370,648</u>	<u>(34,347)</u>	<u>(189,004)</u>	<u>(374,458)</u>	<u>(302,389)</u>	<u>38,504</u>	<u>(85,231)</u>	<u>(576,277)</u>



VILLAGE OF NAMPA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**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.

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, 2015

**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:

	<b>YEARS</b>
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, 2015**

**2. CASH AND TEMPORARY INVESTMENTS**

	2015	2014
	\$	\$
Cash	494,257	421,642
Temporary investments with interest from 1.2% - 1.32%	546,183	492,520
Cash held by Peace Regional Waste Management Company	413,315	275,808
Cash held by NEW Water Ltd.	348,477	529,045
Less: restricted cash	(5,000)	(5,000)
	<u>1,797,232</u>	<u>1,714,015</u>

Included in cash and temporary investments is \$355,583 cash internally restricted for various purposes (2014 - \$355,583). Excluded from the cash balances is \$5,000 held in trust for the Nampa cemetery (2014 - \$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**

	2015	2014
	\$	\$
		(Restated) Note 19
Current taxes and grants in lieu of taxes	52,087	90,905
Local improvement taxes receivable	248,173	287,978
Arrears taxes	158,325	103,102
	458,585	481,985
Less: allowance for doubtful accounts	(53,245)	(53,245)
	<u>405,340</u>	<u>428,740</u>

**4. DEFERRED REVENUE**

	2015	2014
	\$	\$
		(Restated) Note 19
Other deferred grants	249,995	214,441
Proportionate share of deferred revenue in NEW Water Ltd.	349,566	349,566
Proportionate share of deferred revenue in Peace Regional Waste Management Company	-	115
	<u>599,561</u>	<u>564,122</u>

**Municipal Sustainability Initiative**

Funding in the amount of \$203,510 was allocated in the current year from the Municipal Sustainability Initiative. Of the \$203,510 allocated, \$183,704 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 2016. The remaining \$19,806 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement, which are expected to be completed in 2016.

Previously allocated amounts of \$185,409 for MSI Capital, \$24,769 MSI Operating and \$50,000 Gas Tax Fund funding amounts were received in 2015. All MSI Operating Funding and Gas Tax Fund amounts were applied to projects in 2015. Of the MSI Capital amounts, \$108,100 was applied to projects and the remainder has been deferred. It is expected that it will be spent in 2016.

VILLAGE OF NAMPA  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

**5. LONG-TERM DEBT**

	2015	2014
	\$	\$
Tax supported debentures	-	-
Self supported debentures	235,469	265,423
Owing to Northern Sunrise County - tax supported	2,046,827	1,750,000
	<u>2,282,296</u>	<u>2,015,423</u>

Principal and interest repayments are as follows:

	Principal	Interest	Total
	\$	\$	\$
2016	144,212	53,124	197,336
2017	146,036	49,239	195,275
2018	147,947	45,359	193,306
2019	149,949	41,356	191,305
2020	133,897	37,280	171,177
Thereafter	1,560,255	207,560	1,767,815
	<u>2,282,296</u>	<u>433,918</u>	<u>2,716,214</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 matures 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 \$61,615 (2014 - \$42,890).

The Village's total cash payments for interest in 2015 were \$51,820 (2014 - \$30,119).

**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:

	2015	2014
	\$	\$
Total debt limit	2,959,682	3,664,233
Total debt	2,282,296	2,015,423
Amount of debt limit unused	<u>677,386</u>	<u>1,648,810</u>
Total debt servicing limit	493,280	610,892
Total debt servicing	197,336	325,365
Amount of debt servicing limit unused	<u>295,944</u>	<u>285,527</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, 2015

**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 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 2015	Net Book Value 2014
<b>Peace Regional Waste Management Company</b>				
Land	\$ 9,286	\$ -	\$ 9,286	\$ 9,286
Land Improvements	116,632	31,267	85,365	30,846
Buildings	388,215	95,429	292,786	277,805
Engineered Structures	1,917,948	1,565,168	352,780	565,382
Machinery and Equipment	625,008	416,922	208,086	225,156
Vehicles	65,441	40,218	25,223	24,001
	<u>\$ 3,122,530</u>	<u>\$ 2,149,004</u>	<u>\$ 973,526</u>	<u>\$ 1,132,476</u>
<b>NEW Water Ltd.</b>				
Land	\$ 161,727	\$ -	\$ 161,727	\$ 161,727
Land Improvements	7,745	516	7,229	7,401
Engineered Structures	18,211,344	1,100,096	17,111,248	17,132,717
Vehicles & Machinery	31,371	14,943	16,428	7,515
	<u>\$ 18,412,187</u>	<u>\$ 1,115,556</u>	<u>\$ 17,296,631</u>	<u>\$ 17,309,360</u>

**9. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2015 \$	2014 \$
Tangible capital assets (Schedule 2)	<u>6,660,445</u>	6,815,998
Tangible capital assets of Peace Regional Waste Management Company	<u>3,122,530</u>	2,904,608
Tangible capital assets of NEW Water Ltd.	<u>18,412,187</u>	18,125,724
Accumulated amortization (Schedule 2)	<u>(2,799,677)</u>	(3,004,476)
Accumulated amortization of Peace Regional Waste Management Company	<u>(2,149,004)</u>	(1,772,132)
Accumulated amortization of NEW Water Ltd.	<u>(1,115,556)</u>	(816,364)
Long-term debt (Note 5)	<u>(2,282,296)</u>	(2,015,423)
	<u><u>19,848,629</u></u>	<u><u>20,237,935</u></u>

**VILLAGE OF NAMPA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**10. ACCUMULATED SURPLUS**

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

	2015 \$	2014 \$ (Restated) Note 19
Unrestricted surplus	297,603	484,574
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>19,848,629</u>	<u>20,237,935</u>
	<u>20,657,220</u>	<u>21,233,497</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:

	2015 \$		2014 \$	
	Salary <sup>1</sup>	Benefits & allowances <sup>2</sup>	Total	Total
<b>Councillors</b>				
Mayor P. Skrlík	7,298	745	8,043	6,242
Councillor D. Gach	4,331	-	4,331	4,810
Councillor C. Butz	4,105	-	4,105	6,039
Councillor C. Novak	6,619	75	6,694	6,827
Councillor E. Skrlík	5,601	89	5,690	5,390
CAO and Municipal Clerk	67,889	16,817 <sup>3</sup>	84,706	98,752

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, 2015**

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**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 133,000 people and 389 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 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

Total current service contributions by the Village to the LAPP in 2015 were \$21,459 (2014 - \$19,286). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan in 2015 were \$19,575 (2014 - \$17,695).

At December 31, 2014, the LAPP disclosed an unfunded liability of \$3.958 billion.

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**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.

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**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.

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**15. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

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**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, 2015

**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:

	2015	2014
	\$	\$
Cash and cash equivalents	413,315	275,808
Trade and other receivables	256,133	387,278
Total Financial Assets	<u>669,448</u>	<u>663,086</u>
Accounts payable and accrued liabilities	49,178	49,745
Deferred revenue	-	115
Due to Northern Sunrise County	285,873	148,750
Post closure liability	550,859	461,509
	<u>885,910</u>	<u>660,119</u>
Tangible capital assets	973,525	1,132,476
Prepays	3,920	-
Total Non-Financial Assets	<u>977,445</u>	<u>1,132,476</u>
Municipal tippage	89,078	68,865
Recycling	8,750	6,533
Industrial tippage	493,422	973,308
Other	1,798	4,151
Return on investments	8,335	12,205
Total Revenues	<u>601,383</u>	<u>1,065,062</u>
Salaries, wages and benefits	279,360	267,011
Contracted services	123,014	157,383
Materials, goods and utilities	112,070	89,206
Provision for allowances (recovery)	(4,824)	4,789
Provision for reclamation	89,350	186,028
Amortization of tangible capital assets	376,871	279,422
Total Expenditures	<u>975,841</u>	<u>983,839</u>

**VILLAGE OF NAMPA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**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:

	2015	2014
	\$	\$
Cash and cash equivalents	348,477	529,045
Trade and other receivables	96,900	138,966
Total Financial Assets	<u>445,377</u>	<u>668,011</u>
Accounts payable and accrued liabilities	7,585	6,150
Deferred revenue	349,566	349,566
Due to Northern Sunrise County	300,944	494,956
	<u>658,095</u>	<u>850,672</u>
Tangible capital assets	17,296,632	17,309,360
Inventory for consumption	-	-
Total Non-Financial Assets	<u>17,296,632</u>	<u>17,309,360</u>
Sales of goods to NEW Water Ltd. Partners	174,114	162,817
Other user fees and sale of goods	75,225	54,108
Other revenues	14,703	904
Total Revenues	<u>264,042</u>	<u>217,829</u>
Salaries, wages and benefits	95,169	63,602
Contracted services	49,615	35,340
Materials, goods and utilities	122,456	96,023
Amortization of tangible capital assets	299,191	407,235
Total Expenditures	<u>566,431</u>	<u>602,200</u>

Elimated from sales of goods to NEW Water Ltd. Partners is \$36,937 in pro-rated sales to the Village of Nampa for water purchases. These have also been eliminated from the Villages water expenses.



VILLAGE OF NAMPA  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

**19. PRIOR PERIOD ADJUSTMENT**

The Village has restated its financial statements to correct for grant funding that was improperly recorded in a previous year. In addition, it was noted that local improvement taxes receivable had not been set up to reflect balances that would be charged to landowners in future years.

	<u>2015</u>	<u>2014</u>
	\$	\$
<b>Adjustments to opening accumulated surplus</b>		
As previously reported	21,248,537	21,449,944
Adjustment to set up local improvement taxes receivable	107,978	107,978
Adjustment for government grants receivable	(122,274)	(122,274)
Adjustment to correct entry posted in prior year	(744)	-
<b>As restated</b>	<u>21,233,497</u>	<u>21,435,648</u>
		<u>2014</u>
		\$
<b>Adjustment to taxes and grants in lieu of taxes</b>		
As previously reported		320,762
Adjustment for local improvement taxes receivable		107,978
<b>As restated</b>		<u>428,740</u>
		<u>2014</u>
		\$
<b>Adjustment to receivable from other governments</b>		
As previously reported		117,108
Adjustment for grant revenue recognized in error		(67,628)
<b>As restated</b>		<u>49,480</u>
		<u>2014</u>
		\$
<b>Adjustments deferred revenue</b>		
As previously stated		509,476
Adjustment for deferred grants recognized in error		54,646
<b>As restated</b>		<u>564,122</u>