

SUMMER VILLAGE OF NAKAMUN PARK
Consolidated Financial Statements
Year Ended December 31, 2019

SUMMER VILLAGE OF NAKAMUN PARK
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Year Ended December 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of Nakamun Park is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Summer Village's financial position as at December 31, 2019 and the results of its operations for the year then ended.

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

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

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

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

The Summer Village Council carries out its responsibilities for review of the consolidated financial statements principally through its council meetings. Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Summer Village Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Seniuk and Company, Chartered Professional Accountants, independent external auditors appointed by the Summer Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

The consolidated financial statements have been audited on behalf of the members of council by Seniuk and Company, Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

Mr. Dwight Moskalyk, CAO

Onoway, Alberta
April 15, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Summer Village of Nakamun Park

Opinion

We have audited the consolidated financial statements of Summer Village of Nakamun Park (the Summer Village), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net financial assets and cash flows 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 Summer Village as at December 31, 2019, and the consolidated results of its operations and 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 Summer Village in accordance with 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 PSAS, 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 Summer Village'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 Summer Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Summer Village's financial reporting process.

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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 Summer Village'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 Summer Village'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 Summer Village 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.

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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Summer Village's debt limit can be found in Note 7.

- Supplementary Accounting Principles and Standards Regulation (Salary and Benefit Disclosure):

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 8.

SUMMER VILLAGE OF NAKAMUN PARK
Consolidated Statement of Financial Position
December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 2)</i>	\$ 419,184	\$ 297,066
Taxes and grants in place of taxes <i>(Note 3)</i>	47,192	48,184
Grants and receivables from other governments <i>(Note 4)</i>	40,520	58,791
	\$ 506,896	\$ 404,041
LIABILITIES		
Accounts payable	\$ 11,030	\$ 10,096
Deferred income <i>(Note 5)</i>	228,770	187,952
	239,800	198,048
NET FINANCIAL ASSET (DEBT)	267,096	205,993
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 6)</i>	873,795	858,953
Prepaid expenses	11	
	873,806	858,953
ACCUMULATED SURPLUS <i>(Schedule 5)</i>	\$ 1,140,902	\$ 1,064,946

On behalf of Council and Management

_____ Mayor

_____ CAO

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF NAKAMUN PARK
Consolidated Statement of Operations
Year Ended December 31, 2019

	Budget (Unaudited) 2019	2019	2018
REVENUE			
Net municipal taxes (Schedule 1)	\$ 192,462	\$ 192,101	\$ 187,990
User fees and sale of goods	-	300	300
Government transfers for operating (Schedule 2)	3,194	13,428	19,479
Licenses and permits	1,801	1,966	1,768
Investment income	-	4,679	4,008
Penalties and costs of taxes	-	9,883	6,230
Other	500	1,749	626
Total revenue	197,957	224,106	220,401
EXPENSES			
Administration and legislative	77,320	77,012	72,057
Bylaw enforcement	10,712	8,515	10,272
Disaster and emergency measures	4,750	2,750	1,250
Fire service	16,930	17,058	16,919
Land use planning, zoning and development	7,200	7,582	4,855
Libraries, museums and halls	4,226	6,035	3,722
Parks and recreation	2,760	1,382	835
Roads, streets, walks and lighting	58,021	55,547	58,244
Waste management	550	530	447
Water supply and distribution	2,347	2,349	3,667
Total operating expenses	184,816	178,760	172,268
Excess (deficiency) of revenue over expenses before other	13,141	45,346	48,133
OTHER			
Government transfers for capital (Schedule 2)	66,420	56,258	151,534
Gains (losses) on disposal of assets	-	-	11,250
Amortization	-	(25,648)	(22,678)
	66,420	30,610	140,106
EXCESS OF REVENUE OVER EXPENSES	79,561	75,956	188,239
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,064,946	1,064,946	876,707
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,144,507	\$ 1,140,902	\$ 1,064,946

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF NAKAMUN PARK
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2019

	2019	2018
Excess (Shortfall) of Revenues Over Expenses	\$ 75,956	\$ 188,239
Acquisition of tangible capital assets	(40,490)	(190,741)
Proceeds on disposal of tangible capital assets	-	17,500
Amortization of tangible capital assets	25,648	22,678
(Gain) loss on disposal of assets	-	(11,250)
	(14,842)	(161,813)
Use of prepaids	(11)	\$ -
(INCREASE) DECREASE IN NET DEBT	61,103	26,426
Net financial assets (debt), beginning of year	205,993	179,567
NET ASSETS - END OF YEAR	\$ 267,096	\$ 205,993

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF NAKAMUN PARK
Consolidated Statement of Cash Flows
Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 75,956	\$ 188,239
Items not affecting cash:		
Gain on disposal of assets	-	(11,250)
Amortization	25,648	22,678
	101,604	199,667
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	992	(16,223)
Trade and other receivables	-	53
Prepaid expenses	(11)	-
Grants and receivables from other governments	18,271	(52,384)
Accounts payable	934	(30,840)
Deferred grant revenue	40,848	(41,048)
Prepaid property tax	(30)	378
	61,004	(140,064)
Cash flow from operating activities	162,608	59,603
INVESTING ACTIVITIES		
Purchase of capital assets	(40,490)	(190,741)
Proceeds on disposal of capital assets	-	17,500
Cash flow used by investing activities	(40,490)	(173,241)
INCREASE (DECREASE) IN CASH FLOW	122,118	(113,638)
Cash - beginning of year	297,066	410,704
CASH - END OF YEAR (Note 2)	\$ 419,184	\$ 297,066

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF NAKAMUN PARK

Consolidated Schedule of Property and Other Taxes

(Schedule 1)

Year Ended December 31, 2019

	Budget (Unaudited) 2019	2019	2018
TAXATION			
Real property tax	\$ 264,864	\$ 266,428	\$ 260,809
Linear property taxes	2,609	2,609	2,351
Special assessments	16,930	16,929	16,673
	284,403	285,966	279,833
REQUISITIONS			
Alberta School Foundation	84,712	86,646	84,712
Seniors' housing requisition	7,229	7,219	7,131
	91,941	93,865	91,843
NET MUNICIPAL TAXES	\$ 192,462	\$ 192,101	\$ 187,990

Consolidated Schedule of Government Transfers

(Schedule 2)

Year Ended December 31, 2019

	Budget (Unaudited) 2019	2019	2018
TRANSFERS FOR OPERATING			
Provincial Government	\$ 3,194	\$ 13,428	\$ 19,479
TRANSFERS FOR CAPITAL			
Provincial Government	66,420	56,258	151,534
TOTAL GOVERNMENT TRANSFERS	\$ 69,614	\$ 69,686	\$ 171,013

Consolidated Schedule of Consolidated Expenditures by Object

(Schedule 3)

Year Ended December 31, 2019

	Budget (Unaudited) 2019	2019	2018
EXPENSES			
Salaries, wages & benefits	\$ 7,400	\$ 7,450	\$ 6,950
Contracted and general services	154,690	148,331	141,019
Materials, goods and utilities	19,000	19,403	20,723
Transfer to local boards and agencies	3,726	3,576	3,576
Total Consolidated Expenditures by Object	\$ 184,816	\$ 178,760	\$ 172,268

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF NAKAMUN PARK

**Consolidated Schedule of Segmented Disclosure
Year Ended December 31, 2019**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 175,172	\$ 16,929	\$ -	\$ -	\$ -	\$ -	\$ -	192,101
Government transfers	10,228	-	-	-	3,200	-	-	13,428
User fees and sales of goods	-	-	-	300	-	-	-	300
Investment income	4,679	-	-	-	-	-	-	4,679
Other revenues	11,220	-	-	629	-	191	1,559	13,599
	201,299	16,929	-	929	3,200	191	1,559	224,107
EXPENSES								
Contract & general services	75,176	28,324	29,507	8,277	1,447	5,601	-	148,332
Salaries & wages	7,450	-	-	-	-	-	-	7,450
Materials, goods & utilities	-	-	17,604	1,305	494	-	-	19,403
Transfers to local boards	100	-	-	-	3,476	-	-	3,576
	82,726	28,324	47,111	9,582	5,417	5,601	-	178,761
		-	-	-	-	-	-	-
Excess (deficiency) of revenue over expenses before other	118,573	(11,395)	(47,111)	(8,653)	(2,217)	(5,410)	1,559	45,346
OTHER EXPENSE								
Amortization	-	-	(12,008)	-	(13,640)	-	-	(25,648)
Government transfers for capital	-	-	20,848	-	35,410	-	-	56,258
	-	-	8,840	-	21,770	-	-	30,610
Excess (deficiency) of revenue over expenses	\$ 118,573	\$ (11,395)	\$ (38,271)	\$ (8,653)	\$ 19,553	\$ (5,410)	1,559	75,956

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF NAKAMUN PARK

**Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2019**

(Schedule 5)

	Unrestricted Surplus	Capital Reserve	Operating Reserve	Equity in Tangible Capital Assets	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 139,284	\$ 64,208	\$ 2,500	\$ 858,954	\$ 1,064,946	\$ 876,707
Excess (deficiency) of revenues over expenses	75,956	-	-	-	75,956	188,239
Current year funds used for tangible capital assets	(40,490)	-	-	40,490	-	-
Annual amortization expense	25,648	-	-	(25,648)	-	-
Net transfers between reserves	(49,329)	22,442	26,887	-	-	-
BALANCE, END OF YEAR	\$ 151,069	\$ 86,650	\$ 29,387	\$ 873,796	\$ 1,140,902	\$ 1,064,946

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the Summer Village of Nakamun Park (the "Summer Village"). The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Summer Village and are; therefore, accountable to the Summer Village Council for the 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 not 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.

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.

Tax Revenue

Annually, the Summer Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by Summer Village Council in accordance with legislation and Summer Village Council approved policies to raise the tax revenue required to meet the Summer Village's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Consolidated Schedule of Property and Other Taxes.

The Summer Village also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Consolidated Schedule of Property and Other Taxes (Schedule 1).

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SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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 expenditure 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.

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.

Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt less actuarial requirements for the retirement of any sinking fund debentures.

Requisition Over-levy and Under-levy

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.

Inventories for Resale

Land 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 leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(*continues*)

SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 has been met and reasonable estimates of the amounts can be determined.

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 Changes in Net Financial Assets (Debt) for the year.

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:

Buildings	50 years
Machinery and equipment	15 - 25 years
Motor vehicles	10 years
Engineered structures	20 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

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.

Cultural and Historical Tangible Capital Assets

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

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.

SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

2. CASH AND TEMPORARY INVESTMENTS

	2019	2018
Cash	\$ 227,415	\$ 190,828
Restricted cash	191,769	106,238
	\$ 419,184	\$ 297,066

Temporary investments are short term deposits with original maturities of one year or less.

Included in cash are restricted amounts received from the Alberta Government held exclusively for future approved projects. (Note 5)

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2019	2018
Current taxes and grants in place of taxes	\$ 19,222	\$ 22,883
Arrears taxes and grants in place of taxes	26,036	25,301
Sub-total	45,258	48,184
Requisition Under-levy	1,934	-
	\$ 47,192	\$ 48,184

4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2019	2018
Provincial grants receivable	\$ 36,645	\$ 48,300
Goods and Services Tax refundable	3,875	10,491
	\$ 40,520	\$ 58,791

SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

5. DEFERRED REVENUE

Deferred revenue is comprised of:

	2019	2018
Basic Municipal Transportation Grant	\$ -	\$ 33,028
Municipal Sustainability Initiative - Capital	228,415	154,539
Prepaid taxes	355	385
	\$ 228,770	\$ 187,952

Basic Municipal Transportation Grant

Funding from the Basic Municipal Transportation Grant and is restricted to eligible capital transportation projects as approved under the funding agreement. Funds from this grant are being deferred for a future road paving project. Unexpended funds related to advances of the grant are supported by restricted cash held exclusively for future capital projects (refer to Note 2).

Municipal Sustainability Initiative - Capital

The Municipal Sustainability Initiative - Capital is restricted to eligible capital projects, as approved under the funding agreement, which are scheduled for completion in the next few years. Unexpended funds related to the advance are supported by restricted cash held exclusively for these projects (refer to Note 2).

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 326,157	\$ -	\$ 326,157	\$ 326,157
Land improvements	28,419	3,126	25,293	26,220
Buildings	57,812	12,121	45,691	42,180
Machinery and equipment	166,125	43,004	123,121	129,210
Motor vehicles	19,492	13,645	5,847	7,796
Engineered structures	412,930	65,244	347,686	327,390
	\$ 1,010,935	\$ 137,140	\$ 873,795	\$ 858,953

The net book value of the tangible capital assets at year end also represents the amount of equity in tangible capital assets.

Equity in tangible capital assets equals the tangible capital assets balance.

SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

7. 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 Summer Village of Nakamun Park be disclosed as follows:

	2019	2018
Total debt limit	\$ 336,159	\$ 330,602
Total debt	-	-
Amount of debt limit unused	336,159	330,602
Debt servicing limit	56,027	55,100
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 56,027	\$ 55,100

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.

8. 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:

			2019	2018
	Salary (1)	Benefits & allowances (2)	Total	Total
H. Kassian - Councillor	\$ 3,000	\$ -	\$ 3,000	\$ 2,200
M. Hanssen - Councillor	2,550	-	2,550	800
C. LeClair - Councillor	1,900	-	1,900	850
Chief Administrative Officer	32,505	-	32,505	31,649
Designated Officer	5,352	-	5,352	5,300
	\$ 45,307	\$ -	\$ 45,307	\$ 40,799

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. 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.

SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

9. SEGMENTED DISCLOSURE

The Summer Village of Nakamun Park 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 4).

10. FINANCIAL INSTRUMENTS

The Summer 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 Summer Village is not exposed to significant interest or currency risks arising from these financial instruments.

Credit risk

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

Fair value

The Summer Village's carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Summer Village for debt with similar terms.

11. CONTAMINATED SITES

The municipality has adopted PS3260 Liability for Contaminated Sites. The municipality did not identify any financial liabilities in 2019 (2018 – Nil) as a result of this standard.

12. COMMITMENTS

The Summer Village has the following commitment:

The Summer Village is committed to the West Inter-Lake District (WILD) Regional Water Services Commission project (the Commission) to provide water supply services to participating municipalities. Phase I construction is complete and operational, and Phase II construction is 95% complete and operational. The Commission has received funding approval for Phase III and Phase IV construction phases. All participating municipalities are committed to contribute their proportionate share of construction costs when construction begins on the next phases. At this time these costs are unknown and it is expected members will be required to contribute their prorated share in 2021, however actual construction has commenced in 2020.

The Summer Village's share of costs is \$2,349 (2018 - \$3,667).

SUMMER VILLAGE OF NAKAMUN PARK
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

13. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

14. BUDGET AMOUNTS

Budget amounts are included for information purposes only and are not audited.