

**MUNICIPALITY OF NORTH CYPRESS-  
LANGFORD**

**Consolidated Financial Statements  
For the Year Ended December 31, 2017**

## STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Municipality of North Cypress-Langford and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council is composed of individuals who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

*MNP LLP* as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditors' Report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Sandra Jones  
Chief Administrative Officer



## INDEPENDENT AUDITORS' REPORT

To the Reeve and members of Council of the  
**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**

We have audited the accompanying consolidated financial statements of the Municipality of North Cypress-Langford, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2017, 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 controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatements, 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' judgment, including the assessment of 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 controls. 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 in our audit 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 consolidated financial position of the Municipality of North Cypress-Langford as at December 31, 2017, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules for the year ended December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.

January 14, 2019  
Brandon, Manitoba

A stylized signature of 'MNP' in a large, bold, sans-serif font, with 'LLP' in a smaller font size directly below it.

Chartered Professional Accountants

# **MUNICIPALITY OF NORTH CYPRESS-LANGFORD**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2017**

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**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2017**

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 4,132,411	\$ 4,841,055
Amounts receivable (Note 4)	1,372,604	1,300,319
Loans and advances	37,488	37,488
Real estate properties held for sale	9,071	9,071
Inventories for sale (Note 5)	3,480	3,480
	<b>\$ 5,555,054</b>	<b>\$ 6,191,413</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 637,853	\$ 767,879
Deferred revenue	68,802	66,336
Landfill closure and post closure liabilities (Note 7)	4,990	4,419
Long-term debt (Note 8)	111,543	161,140
	<b>823,188</b>	<b>999,774</b>
	<b>\$ 4,731,866</b>	<b>\$ 5,191,639</b>
<b>NET FINANCIAL ASSETS</b>		
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 11,979,675	\$ 10,971,876
Inventories for use (Note 5)	156,732	273,712
Prepaid expenses	63,547	57,941
	<b>12,199,954</b>	<b>11,303,529</b>
	<b>\$ 16,931,820</b>	<b>\$ 16,495,168</b>

**COMMITMENTS AND CONTINGENCIES (NOTES 9 AND 13)**

Approved on behalf of Council:

Reeve

Councillor

*The accompanying notes are an integral part of these consolidated financial statements*

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2017**

	2017 Budget (Note 12)	2017 Actual	2016 Actual
<b>REVENUE</b>			
Property taxes	\$ 2,967,458	\$ 3,019,459	\$ 2,882,807
Grants in lieu of taxation	601,311	601,311	583,739
User fees	579,417	530,626	553,112
Permits, licences and fines	28,365	28,365	35,536
Investment income	51,380	103,341	79,812
Other revenue	106,985	218,988	155,874
Water and sewer	100,500	107,618	148,812
Grants - Province of Manitoba	206,865	427,882	321,808
Grants - other	319,870	223,058	238,797
Total revenue (Schedules 2, 4 and 5)	<u>4,962,151</u>	<u>5,260,648</u>	<u>5,000,297</u>
<b>EXPENSES</b>			
General government services	604,634	639,998	555,687
Protective services	159,486	183,730	158,279
Transportation services	2,015,351	2,268,568	2,012,240
Environmental health services	353,631	319,770	377,782
Public health and welfare services	145,592	143,113	112,858
Regional planning and development	62,770	62,770	59,360
Resource conservation and industrial development	123,269	109,470	281,224
Recreation and cultural services	844,137	944,422	987,858
Water and sewer services	128,453	152,155	155,354
Total expenses (Schedules 3, 4 and 5)	<u>4,437,323</u>	<u>4,823,996</u>	<u>4,700,642</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 524,828</u>	436,652	299,655
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>16,495,168</u>	16,195,513
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 16,931,820</u>	<u>\$ 16,495,168</u>

*The accompanying notes are an integral part of these consolidated financial statements*

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2017**

	<u>2017</u>	<u>2017</u>	<u>2016</u>
	Budget	Actual	Actual
	(Note 12)		
<b>ANNUAL SURPLUS</b>	<b>\$ 524,828</b>	<b>\$ 436,652</b>	<b>\$ 299,655</b>
Acquisition of tangible capital assets	(1,000,000)	(2,226,414)	(700,196)
Amortization of tangible capital assets	538,628	538,628	501,617
Loss (Gain) on sale of tangible capital assets	-	148,392	(10,588)
Proceeds on sale of tangible capital assets	-	531,618	36,548
Change in ownership of gov't partnerships	-	(23)	209,509
Decrease (increase) in inventories	-	116,980	(167,887)
Decrease (increase) in prepaid expenses	-	(5,606)	28,256
	<u>(461,372)</u>	<u>(896,425)</u>	<u>(102,741)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ <u>63,456</u></b>	<b>(459,773)</b>	<b>196,914</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>5,191,639</b>	<b>4,994,725</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ <u>4,731,866</u></b>	<b>\$ <u>5,191,639</u></b>

*The accompanying notes are an integral part of these consolidated financial statements*

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 436,652	\$ 299,655
Changes in non-cash items:		
Amounts receivable		
Inventories	(72,285)	(16,920)
Prepays	116,980	(167,887)
Accounts payable and accrued liabilities	(5,606)	28,256
Deferred revenue	(130,026)	182,688
Landfill closure and post closure liabilities	2,466	2,319
Change in ownership of gov't partnerships	571	192
Loss (Gain) on sale of tangible capital assets	(23)	119,521
Amortization	148,392	(10,588)
	<u>538,628</u>	<u>501,617</u>
Cash provided by operating transactions	<u>1,035,749</u>	<u>938,853</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	531,618	36,548
Cash used to acquire tangible capital assets	<u>(2,226,414)</u>	<u>(700,196)</u>
Cash applied to capital transactions	<u>(1,694,796)</u>	<u>(663,648)</u>
<b>FINANCING TRANSACTIONS</b>		
Cash applied to financing transactions - debt repayment	<u>(49,597)</u>	<u>(41,154)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(708,644)</b>	<b>234,051</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>4,841,055</b>	<b>4,607,004</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 4,132,411</u></b>	<b><u>\$ 4,841,055</u></b>

*The accompanying notes are an integral part of these consolidated financial statements*



**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**1. Status of the Municipality of North Cypress-Langford**

The incorporated Municipality of North Cypress-Langford is a municipality that was established as of January 1, 2015 pursuant to The Municipal Amalgamations Act. The "Municipality of North Cypress-Langford" reflects the amalgamation of the former "Rural Municipality of North-Cypress" and the "Rural Municipality of Langford". The Municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations. The Municipality also owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

**a) Reporting Entity**

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. There are no controlled organizations.

The Municipality has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted for on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

*Carberry Community Memorial Hall (50%) (2016 – 50%)*  
*Carberry Plains Archives (50%) (2016 – 50%)*  
*Carberry Plains Arts Council (50%) (2016 – 50%)*  
*Carberry Plains Community Centre Capital Fund (50%) (2016 - 50%)*  
*Carberry Plains Community Centre Operating Fund (50%) (2016 - 50%)*  
*Carberry Plains Cemetery Inc. (25%) (2016 - 25%)*  
*Carberry Plains Cultural Centre - Museum (50%) (2016 - 50%)*  
*Carberry Plains Service for Seniors (50%) (2016 - 50%)*  
*Carberry Handi-Van Service (50%) (2016 - 50%)*  
*The Cypress Planning District (41.46%) (2016 - 41.46%)*  
*Evergreen Environmental Technologies Ltd. (21.25%) (2016 - 21.25%)*  
*Western Manitoba Regional Library (3.87%) (2016 - 3.54%)*

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements.

**b) Basis of Accounting**

The consolidated 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 the receipt of goods and services or the creation of an obligation to pay.

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

**c) Cash and Temporary Investments**

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

**d) Investments**

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

**e) Real Estate Properties Held for Sale**

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the statement of financial position date.

**f) Landfill Closure and Post Closure Liabilities**

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

**g) 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 ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

**h) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize internal finance charges as part of the cost of its tangible capital assets.

**General Tangible Capital Assets**

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and leasehold improvements	25 to 40 years
Buildings	Life of lease
Leasehold improvements	5 years
Vehicles and Equipment	10 years
Vehicles	15 years
Machinery, equipment and furniture	4 years
Maintenance and road construction equipment	
Computer Hardware and Software	

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**2. Significant Accounting Policies (continued)**

**h) Tangible Capital Assets (continued)**

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

**i) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the 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.

**j) Inventories**

Inventories held for sale are recorded at the lower of cost and net realizable value.

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

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

**l) Measurement Uncertainty**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

**m) Recent Accounting Pronouncements**

*Related Party Disclosures (PS 2200)*

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures. This new Section defines related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

*Portfolio Investments (PS 3041)*

In March 2012, as a result of the issuance of PS 3450 Financial Instruments, the Public Sector Accounting Board (PSAB) issued new PS 3041 Portfolio Investments, which revises and replaces PS 3030 Temporary Investments and PS 3040 Portfolio Investments. The main features of the new standard are:

- PS 3041 does not make a distinction between temporary and portfolio investments, and is cross referenced and conformed to the requirements of PS 3450.
- Investments previously within the scope of PS 3030, which are not cash equivalents, are now accounted for within the scope of PS 3041.

This Section is effective in the same period PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation and PS 3450 are adopted. PS 1201, PS 2601 and PS 3450 are to be adopted together and are effective for fiscal years beginning on or after April 1, 2019. Early adoption is permitted.

*Assets (PS 3210)*

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**2. Significant Accounting Policies (continued)**

**m) Recent Accounting Pronouncements (continued)**

*Contingent Assets (PS 3320)*

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

*Contractual Rights (PS 3380)*

In June 2015, new PS 3380 *Contractual Rights* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

*Inter-entity Transactions (PS 3420)*

In March 2015, the Public Sector Accounting Board (PSAB) issued new PS 3420 *Inter-entity Transactions*. The new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new Section are:

- Under a policy of cost allocation, revenues and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with PS 2200 *Related Party Disclosures*.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**2. Significant Accounting Policies (continued)**

**m) Recent Accounting Pronouncements (continued)**

*Financial Instruments (PS 3450)*

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 Financial Instruments. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
- Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
- Portfolio investments in equity instruments quoted in an active market are measured at fair value.
- Other financial assets and financial liabilities are generally measured at cost or amortized cost.
- An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses.
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exists, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

In September 2015, the effective date for governments was extended by three years. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Early adoption is permitted.

*Asset Retirement Obligations, Proposed Section (PS 3280)*

The Public Sector Accounting Board (PSAB) issued this Exposure Draft (ED) in March 2017 to propose a new Section on asset retirement obligations (ARO liabilities) and withdraw PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. The main features of this ED include the following:

- ARO liabilities represent a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- Asset retirement costs are expensed when they are associated with an asset that is no longer in productive use.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- ARO liabilities include costs directly attributable to retirement activities, such as post-retirement operation, maintenance and monitoring.
- The best method to estimate the liability is often a present value technique.

The section is proposed to be effective for fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted.

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2017</u>	<u>2016</u>
Cash		
Temporary investments	\$ 4,039,299	\$ 4,772,147
	<u>93,112</u>	<u>68,908</u>
	<u>\$ 4,132,411</u>	<u>\$ 4,841,055</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$2,542,996 (2016 - \$3,163,766) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of \$2,542,996 (2016 - \$3,163,766).

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2017</u>	<u>2016</u>
Taxes on roll (Schedule 11)	\$ 310,245	\$ 209,073
Government grants	452,429	192,499
Utility customers	9,699	43,945
Accrued interest	34,270	33,703
Organizations and individuals	96,541	253,270
Other governments	482,208	591,831
	<u>1,385,392</u>	<u>1,324,321</u>
Less allowances for doubtful amounts	<u>(12,788)</u>	<u>(24,002)</u>
	<u>\$ 1,372,604</u>	<u>\$ 1,300,319</u>

**5. Inventories**

**Inventories for sale:**

History books	<u>2017</u>	<u>2016</u>
	\$ 3,480	\$ 3,480

**Inventories for use:**

Fuel	<u>2017</u>	<u>2016</u>
Aggregate	\$ 12,436	\$ 10,671
Other supplies	137,788	247,104
	<u>6,508</u>	<u>15,937</u>
	<u>\$ 156,732</u>	<u>\$ 273,712</u>

**6. Accounts Payable and Accrued Liabilities**

Accounts payable	<u>2017</u>	<u>2016</u>
Accrued expenses	\$ 515,827	\$ 547,926
Accrued interest payable	66,942	71,938
School levies	-	-
Other governments	18,301	3,515
	<u>36,783</u>	<u>144,500</u>
	<u>\$ 637,853</u>	<u>\$ 767,879</u>

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

**7. Landfill Closure and Post Closure Liabilities**

**Operating Landfill Site**

Evergreen Environmental Technologies Ltd. is currently operating a Class 1 landfill site in the Rural Municipality of Minto-Odanah. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2017</u>	<u>2016</u>
Estimated closure and post closure costs over the next 77 years	\$ 677,680	\$ 677,680
Discount rate	<u>6.00%</u>	<u>6.00%</u>
<b>Discounted costs</b>	\$ 29,939	\$ 28,406

Expected year capacity will be reached

2094	2094
------	------

Capacity (in tonnes):

Used to date	20,718	19,337
Remaining	103,594	104,975
Total	124,312	124,312
Percent utilized	<u>16.67%</u>	<u>15.56%</u>

**Liability based on percentage**

\$ 4,990	\$ 4,419
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**8. Long-Term Debt**

**General Authority:**

Bank of Montreal Inc., loan with annual payments of \$30,512, interest at a rate of 3.70%. Secured by a GSA, matures December 2021.

\$ 111,543	\$ 136,987
------------	------------

Minnedosa Credit Union Ltd., loan with blended monthly payments of \$1,488, interest at a rate of 4.00%. Secured by GSA, John Deere Skid Steer, and John Deere Excavator, matures April 2018, however repaid in full in November 2017 with a lump sum

-	24,153
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\$ 111,543	\$ 161,140
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Principal payments required in each of the next four years are as follows:

	2018	26,385
	2019	27,361
	2020	28,374
	2021	29,423

**9. Commitments**

The Municipality has entered into a contract to begin February 2016 regarding a development plan review. This contract will result in total fees of \$11,816 to be paid as the study is completed by end of 2018. The province will provide further funding for this project up to a maximum of \$7,090.

The Municipality has made a commitment to fund up to \$42,500 to support the Southwestern Manitoba Zero Waste System project in partnership with the Rural Municipality of Minto-Odanah, Celtic Power and Eco West. The continuation of the project is subject to funding received from the Federal Government. No funding has been provided towards the Southwestern Manitoba Zero Waste System project during 2017 or as of the audit report date.

The Municipality leases premises in Brandon, Hartney, Carberry, Glenboro and Neepawa including a five year agreement ending December 31, 2020 with the City of Brandon. Rental commitments with the City of Brandon for 2018, 2019 and 2020 are \$9,173, \$9,605, and \$10,038.

The Municipality is committed to purchase gravel under an existing purchase contract for a total of 60,000 yards of gravel for a three year term, ending in 2019. The commitment for 2017 is \$20,000.



**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**10. Retirement Benefits**

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees are expected to be \$111,824 (2016 - \$132,903) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2016.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

**11. Financial Instruments**

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

**12. Budget**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

**13. Soil Farm Payable**

The payable is set up to pay the Rural Municipality of Minto-Odanah 20% of the profits of the completed soil farm projects, as per the signed agreement. During the year the projects that were completed had a total profit of \$6,151 (2016 - \$5,958) which resulted in a payable of \$1,307 (2016 - \$1,192).

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017**

<b>14. Accumulated Surplus</b>	<u>2017</u>	<u>2016</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,557,835	\$ 1,620,405
Utility operating fund - Deficit	(67,723)	(38,216)
TCA net of related borrowings	11,470,096	10,436,081
Reserve funds	<u>2,542,996</u>	<u>3,163,766</u>
Accumulated surplus of municipality unconsolidated	15,503,204	15,182,036
Accumulated surpluses of consolidated entities	<u>1,428,616</u>	<u>1,313,132</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 16,931,820</u>	<u>\$ 16,495,168</u>

**15. Public Sector Compensation Disclosure**

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2017:

- a) Compensation paid to members of council amounted to \$76,507 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Bob Adriaansen	\$ 13,170	\$ 4,933	\$ 18,103
Deputy Reeve - Ray Drayson	10,717	3,523	14,240
Councillor - Norm Campbell	11,592	6,441	18,033
Councillor - Harold Tolton	9,792	2,011	11,803
Councillor - Fred Jackson	10,049	2,109	12,158
Councillor - Don Hockin	10,319	2,902	13,221
Councillor - Gerond Davidson	<u>10,868</u>	<u>2,731</u>	<u>13,599</u>
	<u>\$ 76,507</u>	<u>\$ 24,650</u>	<u>\$ 101,157</u>

- c) The following employees received compensation in excess of \$50,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>David Chandler</i>	<i>Operator</i>	\$ 54,823
<i>Travis Lozinsky</i>	<i>Foreman</i>	\$ 53,486
<i>Keith Loney</i>	<i>Manager</i>	\$ 53,006
<i>Greg Kuyp</i>	<i>Operator</i>	\$ 51,885
<i>Brett Campbell</i>	<i>Operator</i>	\$ 50,897
<i>Matthew Kuyp</i>	<i>Operator</i>	\$ 50,292

**16. Trust Funds**

The Municipality of North Cypress-Langford administers the following trust:

	<u>Balance, beg. of the year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, end of the year</u>
<i>Search &amp; Rescue Trust</i>	<u>\$ 38,468</u>	<u>\$ 476</u>	<u>\$ 38,944</u>

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

**17. Segmented Information**

The Municipality of North Cypress-Langford provides a wide range of services to its residents.

Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resource Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenue and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the consolidated financial statements as described in the summary of significant accounting policies.

**18. Government Partnerships**

The municipality has several partnership agreements for municipal services. The consolidated financial statements include the municipality's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2017	2016
<b>Financial Position</b>		
Financial assets	\$ 650,857	\$ 646,821
Financial liabilities	\$ (377,481)	\$ (265,452)
Net financial assets	\$ 1,028,338	\$ 912,273
Non-financial assets	\$ 400,278	\$ 400,859
Accumulated surplus	<u>\$ 1,428,616</u>	<u>\$ 1,313,132</u>
<b>Result of Operations</b>		
Revenues	\$ 570,408	\$ 503,521
Expenses	\$ 454,924	\$ 603,741
Annual surplus	<u>\$ 115,484</u>	<u>\$ (100,220)</u>

**19. Public Utilities Board**

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

For information purposes, the Municipality has deferred the capital grants it has received in the past for its utilities and amortized them over the useful life of the related tangible capital asset.

No capital grants have been deferred and amortized in these financial statements.

**Water services**

	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
<b>Description of Utility</b>				
Water Supply Pipeline	\$ 477,162	\$ -	\$ 14,649	\$ 462,513

**19. Comparative Figures**

Certain comparative figures have been reclassified to conform with the current year presentation.

**SCHEDULE 1**

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
Year Ended December 31, 2017**

Cost	Opening costs		Additions during the year		Disposals and write downs		Closing costs		Accumulated Amortization		Opening accumulated amortization		Amortization		Disposals and write downs		Closing accumulated amortization		Net Book Value of Tangible Capital Assets																																						
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017																																							
	Totals		Totals		Totals		Totals		Totals		Totals		Totals		Totals		Totals																																								
	General Capital Assets		General Capital Assets		General Capital Assets		General Capital Assets		General Capital Assets		General Capital Assets		General Capital Assets		General Capital Assets		General Capital Assets																																								
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction																																																	
2,787,033	2,980,977	5,276,593	48,076	71,065	14,262,001	1,394,510	26,820,255	26,456,690	2,027	1,394,944	676	224,503	591,341	12,923	2,226,414	700,196	-	2,027	-	2,789,060	313,131	1,094,249	2,240,111	45,943	1,404	27,953	538,628	501,617	49,443	-	-	362,574	1,167,132	1,838,703	39,733	-	11,736,482	470,109	15,614,733	15,848,379	1,813,845	3,388,167	1,425	295,568	3,116,860	937,324	11,979,675	10,971,876	2,426,486	1,813,845	3,388,167	1,425	295,568	3,116,860	937,324	11,979,675	10,971,876

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED SCHEDULE OF REVENUES  
For the Year Ended December 31, 2017

SCHEDULE 2

	2017 Actual	2016 Actual
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	\$ 2,947,420	\$ 2,845,288
Taxes added	72,039	37,519
	<u>3,019,459</u>	<u>2,882,807</u>
<b>Grants in lieu of taxation</b>		
Federal government	549,147	531,586
Federal government enterprises	-	-
Provincial government	5,124	5,423
Provincial government enterprises	21,038	17,960
Other municipal governments	-	-
Non-government organizations	26,002	28,770
	<u>601,311</u>	<u>583,739</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	223,342	292,259
Sales of goods	21,207	15,878
Rentals	69,247	48,418
Development charges	-	-
Facility use fees	216,830	196,557
	<u>530,626</u>	<u>553,112</u>
<b>Permits, licences and fines</b>		
Permits	27,328	34,256
Licences	-	-
Fees	1,002	1,216
Fines	35	64
	<u>28,365</u>	<u>35,536</u>
<b>Investment income</b>		
Cash and temporary investments	103,341	79,812
Marketable securities	-	-
Municipal debentures	-	-
Other	-	-
	<u>103,341</u>	<u>79,812</u>
<b>Other revenue</b>		
Gain on sale of tangible capital assets	3,037	10,588
Gain on sale of real estate held for sale	-	2,731
Contributed assets	52,867	-
Penalties and interest	28,899	28,056
Miscellaneous	134,185	114,499
	<u>218,988</u>	<u>155,874</u>
<b>Water and sewer</b>		
Municipal utility (Schedule 9)	107,618	148,812
Consolidated water co-operatives	-	-
	<u>107,618</u>	<u>148,812</u>
<b>Grants - Province of Manitoba</b>		
Municipal operating grants	150,771	152,231
Other unconditional grants	-	-
Conditional grants	277,111	169,577
	<u>427,882</u>	<u>321,808</u>
<b>Grants - other</b>		
Federal government - gas tax funding	143,598	141,874
Federal government - other	428	432
Other municipal governments	79,032	96,491
	<u>223,058</u>	<u>238,797</u>
<b>Total revenue</b>	<u>\$ 5,260,648</u>	<u>\$ 5,000,297</u>

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
<b>General government services</b>		
Legislative	\$ 106,302	\$ 103,107
General administrative	369,261	374,423
Other	164,435	78,157
	<u>639,998</u>	<u>555,687</u>
<b>Protective services</b>		
Police	4,288	4,294
Fire	162,938	135,076
Emergency measures	14,583	12,972
Other	1,921	5,937
	<u>183,730</u>	<u>158,279</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	4,156	1,561
Road and street maintenance	2,127,809	1,896,533
Bridge maintenance	6,197	-
Sidewalk and boulevard maintenance	-	-
Street lighting	7,467	9,047
Other	86,551	70,030
Air transport	-	-
Public transit	36,388	35,069
Other	-	-
	<u>2,268,568</u>	<u>2,012,240</u>
<b>Environmental health services</b>		
Waste collection and disposal	300,746	370,513
Recycling	-	-
Other	19,024	7,269
	<u>319,770</u>	<u>377,782</u>
<b>Public health and welfare services</b>		
Public health	140,030	109,775
Medical care	-	-
Social assistance	3,083	3,083
Other	-	-
	<u>143,113</u>	<u>112,858</u>
<b>Regional planning and development</b>		
Planning and zoning	62,770	59,360
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>62,770</u>	<u>59,360</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	12,388	24,408
Drainage of land	-	-
Veterinary services	3,270	2,180
Water resources and conservation	48,656	47,580
Regional development	24,473	185,466
Industrial development	-	-
Tourism	-	-
Other	20,683	21,590
	<u>109,470</u>	<u>281,224</u>
<b>Sub-totals forward</b>	<u>3,727,419</u>	<u>3,557,430</u>

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
<b>Sub-totals forward</b>	<b>3,727,419</b>	<b>3,557,430</b>
<b>Recreation and cultural services</b>		
Administration	250,537	233,182
Community centers and halls	31,307	35,447
Swimming pools and beaches	-	-
Golf courses	2,000	2,000
Skating and curling rinks	216,674	252,719
Parks and playgrounds	193,109	217,630
Other recreational facilities	78,172	61,153
Museums	24,914	5,587
Libraries	94,138	72,025
Other cultural facilities	53,571	108,115
	<b>944,422</b>	<b>987,858</b>
<b>Water and sewer services</b>		
Municipal utility (Schedule 9)	152,155	155,354
Consolidated water co-operatives	-	-
	<b>152,155</b>	<b>155,354</b>
<b>Total expenses</b>	<b>\$ 4,823,996</b>	<b>\$ 4,700,642</b>

**SCHEDULE 4**

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD**

**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**

For the Year Ended December 31, 2017

	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>										
Property taxes	\$3,019,459	\$2,882,807	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Grants in lieu of taxation	601,311	583,739	-	-	-	-	-	-	-	-
User fees	17,847	9,110	12,500	18,830	74,422	130,916	264,455	230,962	29,419	21,936
Grants - other	-	12,500	-	-	148,290	146,349	-	-	11,375	3,500
Permits, licences and fines	-	-	-	-	-	-	-	-	-	-
Investment income	51,428	34,938	1,923	2,321	27,839	24,561	1,081	834	1,672	1,270
Other revenue	123,136	80,638	-	-	679	10,815	5,136	888	3,677	4,026
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	150,771	152,231	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	18,000	-	-	209,384	75,488	-	-	14,325	15,000
Total revenue	\$3,963,952	\$3,773,963	\$14,423	\$21,151	\$460,614	\$388,129	\$270,672	\$232,684	\$60,468	\$45,732
<b>EXPENSES</b>										
Personnel services	\$207,794	\$191,744	\$-	\$-	\$494,170	\$503,406	\$94,710	\$91,520	\$41,097	\$22,104
Contract services	240,868	250,133	103,036	100,807	943,945	915,913	173,250	168,447	11,411	20,933
Utilities	6,729	6,628	4,861	4,753	24,055	21,309	7,228	7,459	854	861
Maintenance materials and supplies	7,948	14,500	28,018	22,763	338,007	266,998	33,072	30,444	19,046	6,195
Grants and contributions	19,176	22,339	-	-	4,108	4,325	(28,314)	-	16,972	8,096
Amortization	6,907	7,002	46,386	24,842	310,404	297,937	28,879	29,780	44,185	44,317
Interest on long term debt	-	-	-	-	-	-	640	1,298	-	-
Other	150,576	63,341	1,429	5,114	153,879	2,352	10,305	48,834	9,548	10,352
Total expenses	\$639,998	\$555,687	\$183,730	\$158,279	\$2,268,568	\$2,012,240	\$319,770	\$377,782	\$143,113	\$112,858
<b>Surplus (Deficit)</b>	<b>\$3,323,954</b>	<b>\$3,218,276</b>	<b>\$(169,307)</b>	<b>\$(137,128)</b>	<b>\$(1,807,954)</b>	<b>\$(1,624,111)</b>	<b>\$(49,098)</b>	<b>\$(145,098)</b>	<b>\$(82,645)</b>	<b>\$(67,126)</b>

\* The general government category includes revenues and expenses that cannot be attributed to a particular sector.



**SCHEDULE 4**

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2017**

	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-	-	-	-	-	-	-
User fees	-	-	-	-	-	-	-	-	-	-
Grants - other	11,650	11,650	51,743	64,798	1,037	1,280	14,753	12,332	3,314	2,471
Permits, licences and fines	27,328	34,256	1,037	1,280	-	-	-	-	-	-
Investment income	1,253	1,085	78	-	-	-	-	-	-	-
Other revenue	-	-	-	-	86,360	59,507	-	-	-	-
Water and sewer	-	-	-	-	-	107,618	-	148,812	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	1,575	3,545	51,827	57,544	-	-	-	-	-	-
Total revenue	\$ 41,806	\$ 50,536	\$ 20,140	\$ 35,517	\$ 317,641	\$ 301,302	\$ 110,932	\$ 151,283	\$ 5,260,648	\$ 5,000,297
<b>EXPENSES</b>										
Personnel services	\$ 38,506	\$ 32,212	\$ 21,495	\$ 20,339	\$ 261,079	\$ 254,072	\$ 5,000	\$ 5,000	\$ 1,163,851	\$ 1,120,397
Contract services	29,458	6,522	14,462	28,037	51,875	137,162	2,749	1,047	1,571,054	1,629,001
Utilities	1,317	1,255	352	372	47,983	50,126	2,626	2,160	96,005	94,923
Maintenance materials and supplies	-	6,349	12	227	85,378	75,481	113,827	119,257	625,308	542,214
Grants and contributions	(8,251)	11,649	51,253	47,124	427,134	376,480	-	-	482,078	470,013
Amortization	-	-	15,517	15,517	58,397	54,332	27,953	27,890	538,628	501,617
Interest on long term debt	-	-	5,166	6,073	-	-	-	-	5,806	7,371
Other	1,740	1,373	1,213	163,535	12,576	40,205	-	-	341,266	335,106
Total expenses	\$ 62,770	\$ 59,360	\$ 109,470	\$ 281,224	\$ 944,422	\$ 987,858	\$ 152,155	\$ 155,354	\$ 4,823,996	\$ 4,700,642
<b>Surplus (Deficit)</b>	<b>\$ (20,964)</b>	<b>\$ (8,824)</b>	<b>\$ (89,330)</b>	<b>\$ (245,707)</b>	<b>\$ (626,781)</b>	<b>\$ (686,556)</b>	<b>\$ (41,223)</b>	<b>\$ (4,071)</b>	<b>\$ 436,652</b>	<b>\$ 299,655</b>

SCHEDULE 5

MUNICIPALITY OF NORTH CYPRESS-LANGFORD

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2017

	2017		2016		2017		2016	
	Government		Partnerships		Controlled		Entitles	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>								
Property taxes	\$ 3,019,459	\$ 2,882,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	601,311	583,739	-	-	-	-	-	-
User fees	163,878	246,265	366,748	306,847	-	-	530,626	553,112
Grants - other	150,944	154,374	72,114	84,423	-	-	223,058	238,797
Permits, licences and fines	-	-	28,365	35,536	-	-	28,365	35,536
Investment income	101,961	78,604	1,380	1,208	-	-	103,341	79,812
Other revenue	176,003	151,703	42,985	4,171	-	-	218,988	155,874
Water and sewer	107,618	148,812	-	-	-	-	107,618	148,812
Prov of MB - Unconditional Grants	150,771	152,231	-	-	-	-	150,771	152,231
Prov of MB - Conditional Grants	218,295	98,241	58,816	71,336	-	-	277,111	169,577
Total revenue	\$ 4,690,240	\$ 4,496,776	\$ 570,408	\$ 503,521	\$ -	\$ -	\$ 5,260,648	\$ 5,000,297
<b>EXPENSES</b>								
Personnel services	\$ 964,889	\$ 949,199	\$ 198,962	\$ 171,198	\$ -	\$ -	\$ 1,163,851	\$ 1,120,397
Contract services	1,478,426	1,467,503	92,628	161,498	-	-	1,571,054	1,629,001
Utilities	41,621	37,375	54,384	57,548	-	-	96,005	94,923
Maintenance materials and supplies	515,464	438,733	109,844	103,481	-	-	625,308	542,214
Grants and contributions	542,510	610,436	(60,432)	(140,423)	-	-	482,078	470,013
Amortization	502,895	465,796	35,733	35,821	-	-	538,628	501,617
Interest on long term debt	5,166	6,073	640	1,298	-	-	5,806	7,371
Other	318,101	121,786	23,165	213,320	-	-	341,266	335,106
Total expenses	\$ 4,369,072	\$ 4,096,901	\$ 454,924	\$ 603,741	\$ -	\$ -	\$ 4,823,996	\$ 4,700,642
<b>Surplus (Deficit)</b>	\$ 321,168	\$ 399,875	\$ 115,484	\$ (100,220)	\$ -	\$ -	\$ 436,652	\$ 299,655

**SCHEDULE 6**

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2017**

		2017							
		General Reserve	Equipment Replacement Reserve	Municipal Building Reserve	Gas Tax Reserve	Fire Safety Reserve	Shelterbelt Reserve	Health Care Reserve	Sub-total
<b>REVENUE</b>		\$ 6,963	\$ 6,633	\$ 3,051	\$ 16,583	\$ 764	\$ 78	\$ 1,470	\$ 35,542
Investment income		6,963	6,633	3,051	16,583	764	78	1,470	35,542
Other income		-	-	-	-	-	-	-	-
Total revenue		6,963	6,633	3,051	16,583	764	78	1,470	35,542
<b>EXPENSES</b>		-	-	-	-	-	-	-	-
Investment charges		-	-	-	-	-	-	-	-
Other expenses		-	-	-	-	-	-	-	-
Total expenses		-	-	-	-	-	-	-	-
<b>NET REVENUES</b>		6,963	6,633	3,051	16,583	764	78	1,470	35,542
<b>TRANSFERS</b>		-	400,000	50,000	143,598	22,500	-	-	616,098
Transfers from general operating fund		-	400,000	50,000	143,598	22,500	-	-	616,098
Transfers to general operating fund		-	(215,436)	-	(92,598)	-	-	(4,691)	(312,725)
Transfer from nominal surplus		-	-	-	-	-	-	-	-
Transfers from utility operating fund		-	-	-	-	-	-	-	-
Transfers to utility operating fund		-	-	-	-	-	-	-	-
Transfers from reserve fund		-	-	-	-	-	-	-	-
Transfers to reserve fund		-	-	-	-	-	-	-	-
Acquisition of tangible capital assets		-	(535,575)	-	(432,957)	-	-	-	(968,532)
<b>CHANGE IN RESERVE FUND BALANCES</b>		6,963	(344,378)	53,051	(365,374)	23,264	78	(3,221)	(629,617)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		342,830	452,187	128,585	860,162	30,936	6,764	71,342	1,892,806
<b>FUND SURPLUS, END OF YEAR</b>		\$ 349,793	\$ 107,809	\$ 181,636	\$ 494,788	\$ 54,200	\$ 6,842	\$ 68,121	\$ 1,263,189

**SCHEDULE 6**

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2017**

	2017								2016	
	Recreation Reserve	Wellness Reserve	School Cairn Reserve	Montrose Road Building Reserve	Equipment Repair Reserve	Emergency Services Reserve	Environmental Reserve	Sub-total		
<b>REVENUE</b>										
Investment income	\$ 14,626	\$ 1,258	\$ 17	\$ 953	\$ 861	\$ 1,159	\$ 1,081	\$ 55,497		
Other income	-	-	-	-	-	-	-	-		
Total revenue	14,626	1,258	17	953	861	1,159	1,081	55,497		
<b>EXPENSES</b>										
Investment charges	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-		
Total expenses	-	-	-	-	-	-	-	-		
<b>NET REVENUES</b>	14,626	1,258	17	953	861	1,159	1,081	55,497		
<b>TRANSFERS</b>										
Transfers from general operating fund	142,327	10,000	-	-	-	10,000	-	778,425		
Transfers to general operating fund	-	-	-	-	-	-	-	(312,725)		
Transfer from nominal surplus	-	-	-	-	-	-	-	-		
Transfers from utility operating fund	-	-	-	-	-	-	-	-		
Transfers to utility operating fund	-	-	-	-	-	-	-	-		
Transfers from reserve fund	-	-	-	-	-	-	-	-		
Transfers to reserve fund	-	-	-	-	-	-	-	-		
Acquisition of tangible capital assets	(173,563)	-	-	-	-	-	-	(1,142,095)		
<b>CHANGE IN RESERVE FUND BALANCES</b>	(16,610)	11,258	17	953	861	11,159	1,081	(620,898)		
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	715,993	57,670	818	45,763	41,343	56,876	51,865	2,863,134		
<b>FUND SURPLUS, END OF YEAR</b>	\$ 699,383	\$ 68,928	\$ 835	\$ 46,716	\$ 42,204	\$ 68,035	\$ 52,946	\$ 2,242,236		



MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 SCHEDULE OF L.U.D. OPERATIONS  
 For the Year Ended December 31, 2017

SCHEDULE 7

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
<b>Expenses</b>			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
<b>Net revenues (expenses)</b>	-	-	-
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
<b>Change in L.U.D. balances</b>	<u>\$ -</u>	-	-
<b>Unexpended balance, beginning of year</b>	-	-	-
<b>Unexpended balance, end of year</b>	-	<u>\$ -</u>	-

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 SCHEDULE OF FINANCIAL POSITION FOR UTILITY  
 As at December 31, 2017

**SCHEDULE 8**

	2017	2016
	Total	Total
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	-	-
Amounts receivable	9,699	43,945
Portfolio investments	-	-
Due from other funds	-	-
	<u>\$ 9,699</u>	<u>\$ 43,945</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 20,602	\$ -
Deferred revenue	-	-
Long-term debt (Note 8)	-	-
Due to other funds	56,820	82,161
	<u>77,422</u>	<u>82,161</u>
	<u>\$ (67,723)</u>	<u>\$ (38,216)</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>		
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 937,324	\$ 952,354
Inventories	-	-
Prepaid expenses	-	-
	<u>937,324</u>	<u>952,354</u>
<b>FUND SURPLUS</b>	<u>\$ 869,601</u>	<u>\$ 914,138</u>

**COMMITMENTS AND CONTINGENCIES (Notes 9 and 13)**

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 85,000	\$ 83,562	\$ 85,142
Bulk Water fees	-	-	-
sub-total- water	<u>85,000</u>	<u>83,562</u>	<u>85,142</u>
<b>Sewer</b>			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
<b>Property taxes</b>			
	-	-	-
<b>Government transfers</b>			
Operating	-	-	-
Capital	-	-	12,144
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>12,144</u>
<b>Other</b>			
Hydrant rentals	-	-	-
Connection charges	15,000	23,200	51,000
Installation service	-	-	-
Penalties	200	856	526
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	300	-	-
sub-total- other	<u>15,500</u>	<u>24,056</u>	<u>51,526</u>
<b>Total revenue</b>	<u>100,500</u>	<u>107,618</u>	<u>148,812</u>



MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 SCHEDULE OF UTILITY OPERATIONS (cont'd)  
 For the Year Ended December 31, 2017

SCHEDULE 9

	Budget	2017	2016
<b>EXPENSES</b>			
<b>General</b>			
Administration	5,000	5,000	5,000
Training costs	-	-	-
Billing and collection	500	275	186
Utilities (telephone, electricity, etc.)	-	2,626	2,160
Other	-	-	-
sub-total- general	<u>5,500</u>	<u>7,901</u>	<u>7,346</u>
<b>Water General</b>			
Purification and treatment	1,500	2,540	1,047
Water purchases	70,000	75,572	74,793
Transmission and distribution	13,500	17,587	44,278
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	10,000	20,602	-
sub-total- water general	<u>95,000</u>	<u>116,301</u>	<u>120,118</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	27,953	27,953	27,890
Interest on long-term debt	-	-	-
sub-total- water amortization & interest	<u>27,953</u>	<u>27,953</u>	<u>27,890</u>
<b>Sewer General</b>			
Collection system costs	-	-	-
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	-	-
Interest on long-term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenses</b>	<u>128,453</u>	<u>152,155</u>	<u>155,354</u>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>(27,953)</b>	<b>(44,537)</b>	<b>(6,542)</b>
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	(17,000)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (27,953)</u>	<u>(44,537)</u>	<u>(23,542)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>914,138</u>	<u>937,680</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 869,601</u>	<u>\$ 914,138</u>

SCHEDULE 10

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
For the Year Ended December 31, 2017

	Financial Plan	Financial Plan	Financial Plan	Amortization	Interest	Long Term	Consolidated	PSAB
	General	Utility	(TCA)	Expense	Transfers	Accruals	Entities	Budget
<b>REVENUE</b>								
Property taxes	\$ 2,967,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,967,458
Grants in lieu of taxation	601,311	-	-	-	-	-	-	601,311
User fees	212,669	-	-	-	-	-	-	579,417
Permits, licences and fines	-	-	-	-	-	-	-	28,365
Investment income	50,000	-	-	-	-	-	-	51,380
Other revenue	64,000	-	-	-	-	-	-	106,985
Water and sewer	-	100,500	-	-	-	-	-	100,500
Grants - Province of Manitoba	148,049	-	-	-	-	-	-	206,865
Grants - other	247,756	-	-	-	-	-	-	319,870
Transfers from accumulated surplus	-	28,146	-	-	(28,146)	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 4,291,243</b>	<b>\$ 128,646</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (28,146)</b>	<b>\$ -</b>	<b>\$ 570,408</b>	<b>\$ 4,962,151</b>
<b>EXPENSES</b>								
General government services	\$ 550,578	\$ -	\$ 6,907	\$ -	\$ 47,149	\$ -	\$ -	\$ 604,634
Protective services	113,100	-	46,386	-	-	-	-	159,486
Transportation services	1,692,000	-	295,763	-	-	-	-	2,015,351
Environmental health services	227,400	-	8,175	-	-	-	-	353,631
Public health and welfare services	48,550	-	44,185	-	-	-	-	145,592
Regional planning and development	19,900	-	-	-	-	-	-	62,770
Resource cons and industrial dev	107,752	-	15,517	-	-	-	-	123,269
Recreation and cultural services	567,409	-	58,009	5,166	-	-	213,553	844,137
Water and sewer services	-	100,500	27,953	-	-	-	-	128,453
Fiscal services:								
Transfer to capital	30,609	-	-	-	(30,609)	-	-	-
Debt charges	38,243	-	-	(38,243)	-	-	-	-
Short term interest	47,000	-	-	-	(47,000)	-	-	-
Deficit recovery	11,851	28,146	-	-	(39,997)	-	-	-
Transfer to reserves	836,702	-	-	-	(836,702)	-	-	-
Allowance for tax assets	149	-	-	-	(149)	-	-	-
<b>Total expenses</b>	<b>\$ 4,291,243</b>	<b>\$ 128,646</b>	<b>\$ 502,895</b>	<b>\$ (33,077)</b>	<b>\$ (907,308)</b>	<b>\$ -</b>	<b>\$ 454,924</b>	<b>\$ 4,437,323</b>
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (502,895)</b>	<b>\$ 33,077</b>	<b>\$ 879,162</b>	<b>\$ -</b>	<b>\$ 115,484</b>	<b>\$ 524,828</b>

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 ANALYSIS OF TAXES ON ROLL  
 December 31, 2017

SCHEDULE 11

	2017	2016
<b>Balance, beginning of year</b>	<b>\$ 209,073</b>	<b>\$203,976</b>
<b>Add:</b>		
Tax levy (Schedule 12)	8,232,671	7,929,917
Taxes added	72,039	37,519
Penalties or interest	28,899	28,056
Other accounts added	12,446	35,071
<b>Sub-total</b>	<b>8,346,055</b>	<b>8,030,563</b>
<b>Deduct:</b>		
Cash collections - current	7,515,257	7,298,461
Cash collections - arrears	184,989	189,553
Writeoffs	11,393	19,166
Title value of land sales	-	800
Tax discounts	52,187	40,742
M.P.T.C. - cash advance	481,057	476,744
<b>Sub-total</b>	<b>8,244,883</b>	<b>8,025,466</b>
<b>Balance, end of year</b>	<b>\$ 310,245</b>	<b>\$ 209,073</b>

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 ANALYSIS OF TAX LEVY  
 For the Year Ended December 31, 2017

SCHEDULE 12

	2017	2016
Assessment	Mill Rate	Levy
Debt charges:		
Brookdale Sewer		\$ 29,339
		\$ 28,165
General municipal	1.737	640,048
		601,021
Special levies:		
North Cypress Area	4.538	1,274,961
Langford Area	9.393	822,138
Watershed #37	0.442	1,122
Watershed #38	0.128	21,490
Watershed #39	0.147	5,819
Watershed #40	0.180	18,824
Waste Disposal		88,020
PCH	0.352	30,809
Service Road	5.365	7,168
B/L 05/13 Dust Control		7,682
sub-total- Special levies		2,278,033
		2,216,102
<b>Total municipal taxes (Schedule 2)</b>		<b>2,947,420</b>
Education support levy	10.500	886,291
		885,852
Special levies:		
Pine Creek SD	14.807	96,629
Beautiful Plains SD	11.888	4,297,423
Brandon SD	14.910	4,908
sub-total- Special levies		4,398,960
		4,198,777
<b>Total education taxes</b>		<b>5,285,251</b>
		5,084,629
<b>Total tax levy (Schedule 11)</b>		<b>\$ 8,232,671</b>
		\$ 7,929,917

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
 For the Year Ended December 31, 2017

SCHEDULE 13

	2017	2016
	Actual	Actual
<b>General government services:</b>		
Legislative	\$ 106,302	\$103,107
General administrative	369,261	374,423
Other	164,435	78,157
	<u>639,998</u>	<u>555,687</u>
<b>Protective services:</b>		
Police	4,288	4,294
Fire	162,938	135,076
Emergency measures	14,583	12,972
Other	1,921	986
	<u>183,730</u>	<u>153,328</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	4,156	1,561
Road and street maintenance	2,127,809	1,896,533
Bridge maintenance	6,197	-
Sidewalk and boulevard maintenance	-	-
Street lighting	7,467	9,047
Other	86,551	70,030
Air transport	-	-
Public transit	8,800	8,800
Other	-	-
	<u>2,240,980</u>	<u>1,985,971</u>
<b>Environmental health services:</b>		
Waste collection and disposal	182,690	252,342
Recycling	-	-
Other	19,024	7,269
	<u>201,714</u>	<u>259,611</u>
<b>Public health and welfare services:</b>		
Public health	87,173	71,915
Medical care	-	-
Social assistance	3,083	3,083
Other	-	-
	<u>90,256</u>	<u>74,998</u>
<b>Regional planning and development</b>		
Planning and zoning	19,900	19,900
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>19,900</u>	<u>19,900</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	12,388	24,408
Drainage of land	-	-
Veterinary services	3,270	2,180
Water resources and conservation	48,656	47,580
Regional development	24,473	25,115
Industrial development	-	-
Tourism	-	-
Other	20,683	21,590
	<u>109,470</u>	<u>120,873</u>
<b>Sub-totals forward</b>	<b>3,486,048</b>	<b>3,170,368</b>

MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
 For the Year Ended December 31, 2017

SCHEDULE 13

	2017	2016
	Actual	Actual
<b>Sub-totals forward</b>	<b>3,486,048</b>	<b>3,170,368</b>
<b>Recreation and cultural services:</b>		
Administration	250,537	233,182
Community centers and halls	20,422	23,005
Swimming pools and beaches	-	-
Golf courses	2,000	2,000
Skating and curling rinks	119,130	177,882
Parks and playgrounds	193,109	217,630
Other recreational facilities	78,172	61,153
Museums	6,704	5,587
Libraries	44,315	31,260
Other cultural facilities	16,480	19,480
	<u>730,869</u>	<u>771,179</u>
<b>Total expenses</b>	<b>\$ 4,216,917</b>	<b>\$ 3,941,547</b>

**SCHEDULE 14**

**MUNICIPALITY OF NORTH CYPRESS-LANGFORD  
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)  
December 31, 2017**

	2017		2016	
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ (62,569)	\$ (29,507)	\$ (92,076)	\$ (77,131)
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	778,425	-	778,425	787,321
Eliminate revenue - transfers from reserves	(1,461,017)	-	(1,461,017)	(578,710)
Increase revenue - reserve funds interest	61,822	-	61,822	50,504
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	115,484	-	115,484	(100,220)
Eliminate revenue - transfer from nominal surplus	-	-	-	-
Increase expense - amortization of tangible capital assets	(474,942)	(27,953)	(502,895)	(465,796)
Decrease expense - principal portion of debenture debt	25,444	-	25,444	24,535
Increase (decrease) revenue - gain (loss) on disposal of tangible capital assets	(151,429)	-	(151,429)	-
Eliminate expense - acquisitions of tangible capital assets net proceeds	1,649,971	12,923	1,662,894	659,152
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<u>\$ 481,189</u>	<u>\$ (44,537)</u>	<u>\$ 436,652</u>	<u>\$ 299,655</u>