CITY OF STEINBACH

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

City of Steinbach
225 Reimer Avenue
Steinbach, MB
R5G 2J1

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the City of Steinbach 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 of 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.

Adeptus Advisory Group Chartered Professional Accountants Inc., as the City's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' report is addressed to the Mayor 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 City in accordance with Canadian public sector accounting standards.

Troy Warkentin, CPA, CMA, CMMA
City Manager

Independent Auditors' Report

To the Mayor and members of Council of the
City of Steinbach

Opinion

We have audited the accompanying consolidated financial statements of City of Steinbach, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of operations, cash flows and change in net financial assets 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 City of Steinbach as at December 31, 2025, and the results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City’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 City or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 City of Steinbach’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 City of Steinbach’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause City of Steinbach 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.

Adeptus Advisory Group

June 16, 2026
Winnipeg, Manitoba

Chartered Professional Accountants Inc.

CITY OF STEINBACH

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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CITY OF STEINBACH

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	2025 Actual $	2024 Actual $
FINANCIAL ASSETS		
Cash and cash equivalents	**32,058,510**	22,142,007
Accounts receivable *(note 3)*	**10,010,379**	9,202,190
Portfolio investments *(note 4)*	**22,472,237**	20,001,852
	64,541,126	51,346,049
LIABILITIES		
Accounts payable and accrued liabilities *(note 6)*	**12,342,546**	13,594,413
Deferred revenue *(note 7)*	**483,916**	361,099
Asset Retirement Obligations *(note 8)*	**6,953,247**	6,428,272
Long-term debt *(note 9)*	**13,847,833**	10,999,506
	33,627,542	31,383,290
NET FINANCIAL ASSETS	**30,913,584**	19,962,759
NON-FINANCIAL ASSETS		
Tangible capital assets *(schedule 1)*	**313,957,180**	297,408,013
Prepaid expenses	**241,964**	173,205
	314,199,144	297,581,218
ACCUMULATED SURPLUS *(note 16)*	**345,112,728**	317,543,977

Approved on Behalf of the Council

_______________ Mayor

_______________ Councillor

The accompanying notes are an integral part of these financial statements

CITY OF STEINBACH

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2025

	2025 Budget $ (Unaudited)	2025 Actual $	2024 Actual $
REVENUE			
Property taxes	**23,170,246**	**23,367,741**	20,280,441
Grants in lieu of taxation	**246,227**	**246,227**	220,855
User fees	**6,576,108**	**8,773,976**	7,630,834
Grants - Province of Manitoba	**4,684,800**	**5,249,504**	5,925,699
Grants - Other	**1,030,000**	**1,052,755**	8,956,403
Permits, licences and fees	**711,707**	**1,263,700**	697,051
Investment revenue	**320,000**	**1,606,839**	2,032,656
Other revenue	**761,087**	**15,736,824**	13,761,200
Water and sewer	**4,675,677**	**11,093,678**	5,473,562
Total revenue *(schedules 2, 4 and 5)*	**42,175,852**	**68,391,244**	64,978,701
EXPENSES			
General government services	**4,692,042**	**4,437,595**	4,163,404
Protective services	**6,701,428**	**6,653,594**	5,961,585
Transportation services	**9,933,508**	**9,550,099**	9,341,998
Environmental health services	**3,852,347**	**4,484,027**	1,446,722
Public health and welfare services	**258,400**	**275,839**	246,321
Regional planning and development	**527,373**	**564,255**	533,020
Resource conservation and industrial development	**110,100**	**75,168**	75,817
Recreation and cultural services	**7,074,342**	**8,026,217**	6,666,099
Water and sewer	**7,787,671**	**6,755,699**	7,091,557
Total expenses *(schedules 3, 4 and 5)*	**40,937,211**	**40,822,493**	35,526,523
ANNUAL SURPLUS	**1,238,641**	**27,568,751**	29,452,178
ACCUMULATED SURPLUS, BEGINNING OF YEAR	**317,543,977**	**317,543,977**	288,091,799
ACCUMULATED SURPLUS, END OF YEAR	**318,782,618**	**345,112,728**	317,543,977

The accompanying notes are an integral part of these financial statements

CITY OF STEINBACH

CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS

For the Year Ended December 31, 2025

	2025 Budget $	**2025 Actual $**	2024 Actual $
ANNUAL SURPLUS	**1,238,641**	**27,568,751**	29,452,178
Acquisition of tangible capital assets	**-**	**(12,397,666)**	(45,886,799)
Contributed infrastructure assets revenue	**-**	**(15,861,634)**	(3,244,978)
Proceeds on disposal of tangible capital assets	**-**	**40,382**	229,782
Amortization of tangible capital assets	**11,679,000**	**11,688,877**	11,473,509
Gain on sale of tangible capital assets	**-**	**(19,126)**	(486,115)
Increase in prepaid expense	**-**	**(68,759)**	(9,476)
CHANGE IN SURPLUS (DEFICIT)	**12,917,641**	**10,950,825**	(8,471,899)
NET FINANCIAL ASSETS BEGINNING OF YEAR	**19,962,759**	**19,962,759**	28,434,658
NET FINANCIAL ASSETS END OF YEAR	**32,880,400**	**30,913,584**	19,962,759

The accompanying notes are an integral part of these financial statements

CITY OF STEINBACH

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	2025 Actual $	2024 Actual $
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	**27,568,751**	29,452,178
Changes in non-cash items:		
Amortization	**11,688,877**	11,473,509
Gain on disposal of tangible capital assets	**(19,126)**	(486,115)
Contributed infrastructure assets revenue	**(15,861,634)**	(3,244,978)
	23,376,868	37,194,594
Net changes in non-cash working capital affecting operations *(note 19)*	**(1,481,023)**	(6,813,220)
	21,895,845	30,381,374
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	**40,382**	229,782
Cash used to acquire tangible capital assets	**(12,397,666)**	(45,886,799)
	(12,357,284)	(45,657,017)
INVESTING		
Purchase of portfolio investments	**(2,470,385)**	-
Proceeds on sale of portfolio investments	**-**	4,546,786
	(2,470,385)	4,546,786
FINANCING		
Long-term debt issued	**4,035,894**	10,620,000
Reduction in long-term debt	**(1,187,567)**	(1,513,255)
	2,848,327	9,106,745
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**9,916,503**	(1,622,112)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**22,142,007**	23,764,119
CASH AND CASH EQUIVALENTS, END OF YEAR	**32,058,510**	22,142,007
CASH AND CASH EQUIVALENTS IS REPRESENTED BY:		
Cash	**28,762,420**	18,946,487
Internally restricted cash	**3,296,090**	3,195,520
	32,058,510	22,142,007

The accompanying notes are an integral part of these financial statements

1. STATUS OF THE CITY OF STEINBACH

The incorporated City of Steinbach is a municipal government that was first created as a Town on January 1, 1947 pursuant to The Manitoba Municipal Act. The Municipality continued as a City as of January 1, 1997. The City provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The City 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 Canadian 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 City. 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 City.

The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Jake Epp Library
Steinbach Community Development Corporation

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

Trust funds and their related operations administered by the City 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.

c) FINANCIAL INSTRUMENTS

The City classifies its financial instruments as either fair value, cost or amortized cost. The municipal organization's accounting policy for each category is as follows:

Fair value:

This category includes derivatives and equity instruments quoted in an active market. The municipal organization has not designated any of its portfolio investments or borrowings at fair value that would otherwise to classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the Statement of Remeasurement Gains and Losses until they are realized. When realized they are transferred to the Statement of Operations. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized. At that time, the balance is transferred to the Statement of Operations.

Cost or amortized cost:

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

d) CASH AND CASH EQUIVALENTS

Cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

e) PORTFOLIO INVESTMENTS

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

f) 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 balance sheet date.

g) LANDFILL CLOSURE AND POST CLOSURE LIABILITIES

The estimated cost 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.

h) 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 (debt) for the year.

Real estate properties 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.

Purchased intangible assets are identifiable non-monetary economic resources without physical substance, which are acquired through an arm's length transaction. Purchased intangible assets are recognized in the financial statements when they meet the definition of an asset.

i) 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 City does not capitalize internal finance charges as part of the cost of its tangible capital assets.

Amortization is provided using the straight line method using rates intended to amortize the cost of assets over their estimated useful lives.

General Tangible Capital Assets

Land and land improvements	Indefinite
Buildings and leasehold improvements	25 to 40 years
Vehicles and equipment	
Vehicles	5 years
Machinery and equipment	10 to 15 years

Infrastructure Assets

Roads, Streets, and Bridges	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 Years
Traffic lights and equipment	10 to 30 years
Land	Indefinite
Land improvements	30 to 50 years
Underground networks	30 to 100 years
Machinery & equipment	10 to 50 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 City, forests, water, and other natural resources are not recognized as tangible capital assets.

j) LEASES

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

k) REVENUE RECOGNITION

Fees and other revenues:

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct goods or services to a payor for consideration. The municipal organization recognizes revenue when the performance obligations are satisfied, and the payor obtains control of the asset or benefits from the service provided.

Non-exchange transactions are transactions or events where there is no direct transfer of good or services to a payor. The municipal organization receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue from non-exchange transactions is recognized when the municipal organization has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery products.

Revenue from contracts with customers is recognized at an amount equal to the transaction price allocated to the specific distinct performance obligation when the performance obligation is satisfied. Revenue from contracts with customers is evaluated and separated into distinct performance obligations when there is a distinct good or service to be transferred in the future.

Government transfers:

Transfer payments from other governments include all accruals determined for current year entitlements that have been authorized by December 31, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.

Property taxes:

Revenues from property taxes are accrued in the year they are authorized by Council. Property taxes are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

Externally restricted inflows:

Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

l) ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reflect the legal obligations arising from the retirement of the municipality's tangible capital assets, and are recognized when:

• there is a legal obligation for the municipality to incur costs in relation to a specific tangible capital asset,
• there is a past transaction or event causing the liability that has occurred,
• when economic benefits will need to be given up to remediate the liability, and
• when a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use, or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

m) 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 used.

Measurement uncertainty in these financial statements exists in the estimate of asset retirement obligations, the accrual of the landfill closure and post closure liabilities. The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the financial statement date. 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 timing of obligations may differ significantly from these estimates.

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	2025	2024
	$	$
Tax assets *(schedule 10)*	**2,886,942**	2,342,988
Government grants and receivables	**3,824,831**	4,125,395
Utility customers	**1,273,479**	1,216,237
Accrued interest	**515,887**	430,029
Organizations and individuals	**1,574,316**	1,111,272
Other governments	**61,221**	88,760
Other	**839**	-
	10,137,515	9,314,681
Allowance for doubtful accounts	**(127,136)**	(112,491)
	10,010,379	9,202,190

4. PORTFOLIO INVESTMENTS

	2025	2024
	$	$
Marketable securities		
Other securities	**278,188**	180,670
Other securities	**22,136,298**	19,761,048
Patronage allocations	**57,751**	60,134
	22,472,237	20,001,852

The aggregate market value of the marketable securities at December 31, 2025 is $22,414,487 (2024 - $20,376,680). Portfolio investments earned $ 956,440 in investment income during the year (2024 - $371,746).

5. BANK INDEBTEDNESS

The Municipality has an authorized line of credit of a maximum of $8,000,000 bearing interest at a rate of 5.2%. As at December 31, 2025 the balance owing was $ Nil (2024 - $ Nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
	$	$
Trade payables	**7,884,632**	9,705,638
Government payables	**1,049,777**	1,300,836
Accrued expenses	**1,150,072**	1,030,641
School levies	**966,428**	622,904
Deposits	**1,143,341**	802,835
Property tax overpayments	**148,296**	131,559
	12,342,546	13,594,413

7. DEFERRED REVENUE

	2025	2024
	$	$
Deferred permit revenue	**445,916**	361,099
Other	**38,000**	-
	483,916	361,099

8. ASSET RETIREMENT OBLIGATIONS

	2025	2024
	$	$
Balance, beginning of year	**6,428,272**	8,671,550
Accretion expense	**524,975**	200,391
Change in assumptions	**-**	(2,443,669)
Balance, end of year	**6,953,247**	6,428,272

a) Landfill Site

Legislation requires the municipality to conduct 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.

The municipality operates a Class 1 landfill, with an estimated remaining capacity of 44.7% of the landfill's total estimated capacity of 2,060,000. The estimated remaining life of the landfill is 28 years. The period for post-closure care is estimated to be 25 years.

The estimated total liability of $6,953,247.37 (prior year 2024 - $6,428,271.84) is based on the sum of discounted future cash flows using a discount rate of 4.5%.

The municipality contracted during the year to obtain an updated plan for the landfill including an analysis of the final closure and post closure costs. The report has resulted in a change in the assumptions in respect to the closure and post closure costs.

b) Asbestos and lead paint

Legislation requires the municipality to appropriately handle and dispose of any material containing asbestos and lead paint when renovating or demolishing a municipal structure. The municipality currently does not own any buildigs that knownly contain asbestos.

9. LONG-TERM DEBT

	2025	2024
	$	$
General Authority		
Municipal debenture for Kroeker Avenue, interest at 1.53%, payable at $161,140 annually including interest, maturing December 2025.	**-**	158,712
Municipal debenture for Clearspring Greens Pathway, interest at 2.42%, payable at $29,389 annually including interest, maturing December 2026.	**28,694**	56,711
Municipal debenture for the Steinbach Events Centre, interest at 3.80%, payable at $1,675,249 annually including interest, maturing December 2029.	**6,109,751**	7,500,000
Municipal debenture for the Steinbach Events Centre, interest at 3.83%, payable at $558,888.62 annually including interest, maturing December 2030.	**2,500,000**	-
Municipal debenture for the Loewen Blvd/PTH 12 N Intersection Renewal, interest at 3.83%, payable at $201,200 annually including interest, maturing December 2030.	**900,000**	-
	9,538,445	7,715,423
Utility Funds		
Municipal debenture for Kroeker Avenue watermain, interest at 1.53%, payable at $94,173 annually including interest, maturing December 2025.	**-**	92,754
Municipal debenture for Kroeker Avenue sewermain, interest at 1.53%, payable at $115,110 annually including interest, maturing December 2025.	**-**	113,366
Municipal debenture for Barkman Avenue & Penner Street Renewal, interest at 5.55%, payable at $259,319 annually including interest, maturing December 2028.	**699,028**	918,961
Municipal debenture for Brandt Street Water & Sewer, interest at 2.42%, payable at $268,439 annually including interest, maturing December 2026.	**262,096**	518,000
Municipal debenture for the Lift Station #2 Upgrade, interest at 5.55%, payable at $463,070 annually including interest, maturing December 2028.	**1,248,264**	1,641,002
Municipal debenture for the Loewen Blvd/PTH 12 N Intersection Renewal (Water), interest at 3.83%, payable at $234,733 annually including interest, maturing December 2030.	**1,050,000**	-
Municipal debenture for the Loewen Blvd/PTH 12 N Intersection Renewal (Sewer), interest at 3.83%, payable at $234,733 annually including interest, maturing December 2030.	**1,050,000**	-
	4,309,388	3,284,083
	13,847,833	10,999,506

9. LONG-TERM DEBT (continued)

Estimated principal repayments for the next five years are as follows:

2026	3,298,000
2027	3,212,000
2028	3,345,000
2029	2,754,000
2030	1,184,000

9. LONG-TERM DEBT (continued)

Schedule of Debenture Pending

Authority	Purpose	Amount Authorized
By-law 2220	Fire Department Ladder Truck	2,000,000
By-law 2271	Event Centre Construction	2,500,000
By-law 2255	Lift Station #1 to Lagoon Forcemain	2,750,000

10. DEBT CHARGES - AT LARGE

Purpose and By-law	Assessment	2025 Mill Rate	Levy	2024 Levy
			$	$
Water District	**1,428,395,990**	**0.378**	**539,934**	536,842
Waste Water District	**1,564,026,930**	**0.428**	**669,404**	667,106
			1,209,338	1,203,948

11. SPECIAL LEVIES

Purpose and By-law	Assessment	2025 Mill Rate	Levy	2024 Levy
			$	$
Waste Collection & Disposal			**899,586**	843,339
Section 312 M.A	**1,612,255,050**	**4.000**	**6,449,020**	5,611,927
			7,348,606	6,455,266

12. RETIREMENT BENEFITS

The majority of the employees of the City 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 2025 by the City on behalf of its employees amounted to $624,868.77 (2024 - $589,503) 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, 2024, indicated the plan was 109.97% funded on a going concern basis and had an unfunded solvency liability of $16.325 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, 2024.

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, but solvency results are still monitored annually.

13. FINANCIAL INSTRUMENTS

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

14. BUDGET

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the City 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 9* - Reconciliation of the Financial Plan to the Budget.

15. SEGMENTED INFORMATION

The City of Steinbach provides a wide ranges 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
- Resources Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenues 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 financial statements as described in the summary of significant accounting policies.

16. ACCUMULATED SURPLUS

	2025	2024
	$	$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Deficit, excluding Tangible Capital Assets	**(5,244,835)**	(8,273,415)
Utility Operating Funds - Nominal Surplus (Deficit), excluding Tangible Capital Assets	**1,206,126**	(393,428)
General Operating Tangible Capital Assets, net of related borrowings	**208,001,989**	198,120,527
Utility Operating Tangible Capital Assets, net of related borrowings	**91,277,476**	87,453,711
Deferred Revenue	**(445,916)**	(361,099)
Reserve Funds	**47,899,672**	38,625,053
Accumulated surplus of municipality unconsolidated	**342,694,512**	315,171,349
Accumulated surpluses of consolidated controlled entities	**2,418,215**	2,372,628
Accumulated Surplus per Statement of Financial Position	**345,112,727**	317,543,977
Accumulated Surplus as printed	**345,112,728**	317,543,977
Variance to statement of financial position	**(1)**	-

17. 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 in exceeding $85,000 annually to any member of council, officer or employee of the city. For the year ended December 31, 2025:

(a) Compensation paid to members of council amounted to $233,025 in aggregate;

(b) There were no members of council receiving compensation in excess of $85,000 individually, except as noted below. The breakdown of compensation and expenses paid to members of council are as follows:

Council Member	Compensation	Expenses	Total
Funk, Earl	63,764	15,900	79,664
Hiebert, Jacob	27,015	7,486	34,501
Hiebert, Wilhelm	29,238	8,415	37,653
Penner, Damian	26,863	6,322	33,185
Penner, Susan	25,485	3,160	28,645
Siemens, Waldo	31,002	8,269	39,271
Zwaagstra, Michael	29,658	7,341	36,999
	233,025	56,893	289,918

(c) The following individuals received compensation in excess of $85,000:

Name	Position	Amount
Adrian, Edwin		96,158
Bergen, Cody	Senior Building Inspector	94,177
Dyck, Russ	Manager, Parks & Recreation	113,811
Friesen, Jerry		87,164
Froese, Andrew	Waterworks Leadhand	90,322
Gaudet, Lacey	City Planner	104,355
Heppner, Mike	Manager, Waterworks	120,271
Hrehirchuk, Brian	Senior Manager, Finance	125,183
Lange, Lisa	Senior Manager, Human Resources & Payroll	109,937
Mehling, Russell	Engineering Technologist	96,724
Penner, Paul	Operations manager	150,166
Rach, Aaron	City Engineer	127,481
Roukema, Paul	Information Services Manager	97,253
Thiessen, Adam	Manager, Corporate Services	120,285
Towes, Kelvin F	Fire Chief & Emergency Coordinator	113,827

Wallman, Eldon	Manager, Solid Waste	87,587
Warkentin, Troy	City Manager	231,318

18. PUBLIC UTILITY 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 City has deferred the capital grants and revenue from contributed infrastructure assets it has received since 2005 for its utility and amortized them over the useful life of the related tangible capital assets. Management of the City has determined it not to be reasonably cost effective to estimate this revenue prior to 2005.

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

Water Services: Description of Utility	Unamortized Opening Balance (Unaudited)	Additions During Year (Unaudited)	Amortization During Year (Unaudited)	Unamortized Ending Balance (Unaudited)
Grants	6,645,866	-	232,191	6,413,675
Contributed Assets	15,208,211	3,020,986	799,915	17,429,282
	21,854,077	3,020,986	1,032,106	23,842,957

Sewer Services: Description of Utility	Unamortized Opening Balance (Unaudited)	Additions During Year (Unaudited)	Amortization During Year (Unaudited)	Unamortized Ending Balance (Unaudited)
Grants	5,586,026	118,858	188,350	5,516,534
Contributed Assets	19,630,522	2,899,895	463,048	22,067,369
	25,216,548	3,018,753	651,398	27,583,903

19. CHANGES IN WORKING CAPITAL

	2025	2024
	$	$
Net changes in non-cash working capital affecting operations		
Accounts receivable	**(808,189)**	202,906
Prepaid expenses	**(68,759)**	(9,476)
Accounts payable and accrued liabilities	**(1,251,867)**	(2,096,003)
Deferred revenue	**122,817**	(2,667,369)
Asset Retirement Obligations	**524,975**	(2,243,278)
	(1,481,023)	(6,813,220)

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2025

	General Capital Assets					Infrastructure			2025 Actual	2024 Actual
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets under Construction		
Cost										
Balance, beginning of year	9,563,616	47,729,913	16,715,795	24,489	69,529,373	169,589,771	141,725,571	2,844,492	457,723,020	408,807,196
Asset purchases	-	150,890	793,672	1,906	8,597,067	10,366,545	6,116,088	2,248,925	28,275,093	50,424,030
Disposals and write downs	-	-	843,419	-	10,272	20,610	46,754	-	921,055	1,508,206
Balance, end of year	9,563,616	47,880,803	16,666,048	26,395	78,116,168	179,935,706	147,794,905	5,093,417	485,077,058	457,723,020
Accumulated Amortization										
Balance, beginning of year	189,692	20,988,905	9,920,193	12,811	-	75,371,137	53,832,269	-	160,315,007	149,313,784
Amortization	-	1,350,562	1,023,360	3,657	-	5,795,368	3,515,930	-	11,688,877	11,473,509
Disposals and write downs	-	-	831,598	-	-	5,667	46,741	-	884,006	472,286
Balance, end of year	189,692	22,339,467	10,111,955	16,468	-	81,160,838	57,301,458	-	171,119,878	160,315,007
Net book value	9,373,924	25,541,336	6,554,093	9,927	78,116,168	98,774,868	90,493,447	5,093,417	313,957,180	297,408,013

CITY OF STEINBACH

Schedule 2

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2025

	2025 Budget $	2025 Actual $	2024 Actual $
PROPERTY TAXES			
Municipal taxes levied *(schedule 11)*	**22,267,408**	**22,264,840**	19,362,669
Taxes added	**675,000**	**875,063**	711,594
Business tax	**227,838**	**227,838**	206,178
	23,170,246	**23,367,741**	20,280,441
GRANTS IN LIEU OF TAXATION			
Federal government	**246,227**	**246,227**	220,855
USER FEES			
Parking meters	**8,960**	**10,575**	9,468
Sales of service	**6,539,148**	**8,621,277**	7,515,933
Sales of goods	**-**	**106,934**	71,679
Rentals	**28,000**	**35,190**	33,754
	6,576,108	**8,773,976**	7,630,834
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	**4,650,000**	**4,949,980**	4,672,428
Conditional grants	**34,800**	**299,524**	1,253,271
	4,684,800	**5,249,504**	5,925,699
GRANTS - OTHER			
Federal government - gas tax funding	**1,030,000**	**1,031,418**	990,161
Federal government - other	**-**	**4,192**	7,952,132
Other grant	**-**	**17,145**	14,110
	1,030,000	**1,052,755**	8,956,403
PERMITS, LICENCES AND FEES			
Permits	**578,676**	**1,135,570**	562,808
Licences	**33,121**	**32,690**	31,020
Fines	**99,910**	**95,440**	103,223
	711,707	**1,263,700**	697,051
INVESTMENT REVENUE			
Interest	**320,000**	**1,606,839**	2,032,656
OTHER REVENUE			
Gain on sale of tangible capital assets	**-**	**17,170**	505,971
Miscellaneous	**76,064**	**386,994**	307,434
Contributed assets	**-**	**9,940,753**	2,247,038
Penalties and interest	**206,360**	**266,274**	240,173
Donations	**-**	**4,760,764**	10,122,525
Other	**478,663**	**364,869**	338,059
	761,087	**15,736,824**	13,761,200
WATER AND SEWER			
Municipal utility *(schedule 8)*	**4,675,677**	**11,093,678**	5,473,562
TOTAL REVENUE	**42,175,852**	**68,391,244**	64,978,701

CITY OF STEINBACH

Schedule 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2025

	2025 Budget $	2025 Actual $	2024 Actual $
GENERAL GOVERNMENT SERVICES			
Legislative	**322,670**	**310,935**	292,117
General administrative	**4,369,372**	**4,126,660**	3,871,287
	4,692,042	**4,437,595**	4,163,404
PROTECTIVE SERVICES			
Police	**4,413,483**	**4,258,385**	3,822,901
Fire	**1,245,078**	**1,381,336**	1,160,938
Emergency measures	**28,187**	**33,010**	28,899
Other protective services	**1,014,680**	**980,863**	948,847
	6,701,428	**6,653,594**	5,961,585
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	**497,811**	**499,817**	462,915
Road and street maintenance	**8,928,616**	**8,576,175**	8,423,917
Sidewalk and boulevard maintenance	**53,045**	**25,581**	955
Street lighting	**403,444**	**381,472**	398,194
Air transport	**50,592**	**67,054**	56,017
	9,933,508	**9,550,099**	9,341,998
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	**2,186,087**	**2,874,448**	(86,589)
Recycling	**1,123,660**	**1,066,985**	1,023,062
Other	**542,600**	**542,594**	510,249
	3,852,347	**4,484,027**	1,446,722
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	**238,400**	**256,074**	226,556
Social assistance	**20,000**	**19,765**	19,765
	258,400	**275,839**	246,321
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	**49,523**	**134,916**	205,633
Beautification and land rehabilitation	**348,750**	**310,194**	233,591
Urban area weed control	**79,100**	**74,252**	64,954
Other	**50,000**	**44,893**	28,842
	527,373	**564,255**	533,020
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Water resources and conservation	**99,500**	**15,000**	15,000
Regional development	**10,600**	**60,168**	60,817
	110,100	**75,168**	75,817

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2025

	2025 Budget $	2025 Actual $	2024 Actual $
RECREATION AND CULTURAL SERVICES			
Administration	**482,166**	**454,706**	447,440
Swimming pools and beaches	**2,427,280**	**2,381,510**	2,301,965
Skating and curling rinks	**636,750**	**1,035,188**	462,002
Parks and playgrounds	**1,083,020**	**1,581,472**	1,448,012
Other recreational facilities	**1,669,250**	**1,636,830**	1,361,552
Libraries	**455,458**	**589,196**	616,081
Other cultural facilities	**320,418**	**347,315**	29,047
	7,074,342	**8,026,217**	6,666,099
WATER AND SEWER			
Municipal utility *(schedule 8)*	**7,787,671**	**6,755,699**	7,091,557
TOTAL EXPENSES	**40,937,211**	**40,822,493**	35,526,523

CITY OF STEINBACH

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2025

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
REVENUE										
Property taxes	**23,367,741**	20,280,441	**-**	-	**-**	-	**-**	-	**-**	-
Grants in lieu of taxation	**246,227**	220,855	**-**	-	**-**	-	**-**	-	**-**	-
User fees	**29,276**	22,679	**226,454**	179,088	**135,652**	55,537	**4,353,670**	4,025,272	**288,300**	247,390
Prov of MB - unconditional grants	**4,949,980**	4,672,428	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - conditional grants	**106,993**	1,012,129	**-**	-	**-**	-	**-**	-	**-**	-
Grants - Other	**1,031,418**	8,942,293	**-**	-	**-**	-	**-**	-	**-**	-
Permits, licences and fees	**1,168,260**	593,828	**95,440**	103,223	**-**	-	**-**	-	**-**	-
Investment revenue	**1,571,540**	1,989,531	**-**	-	**-**	-	**-**	-	**-**	-
Other revenue	**15,729,353**	13,007,413	**-**	-	**-**	-	**-**	-	**-**	-
Water and sewer	**(1,206,540)**	(1,206,540)	**-**	-	**-**	-	**-**	-	**-**	-
Total revenue	**46,994,248**	49,535,057	**321,894**	282,311	**135,652**	55,537	**4,353,670**	4,025,272	**288,300**	247,390
EXPENSES										
Personnel services	**2,693,028**	2,595,370	**1,297,822**	1,161,706	**1,741,631**	1,676,243	**1,076,517**	975,892	**133,076**	122,635
Contract services	**99,300**	106,053	**3,861,114**	3,520,214	**19,535**	12,010	**-**	-	**-**	-
Utilities	**82,573**	82,108	**72,312**	69,690	**492,787**	485,596	**37,283**	39,106	**-**	-
Maintenance materials & supplies	**607,040**	548,631	**1,117,095**	920,127	**1,092,949**	1,049,160	**2,302,657**	2,164,753	**85,014**	65,937
Grants & contributions	**648,185**	636,103	**-**	-	**-**	-	**-**	-	**-**	-
Amortization	**111,644**	98,478	**305,251**	289,848	**6,203,197**	6,118,989	**542,594**	510,249	**57,749**	57,749
Interest on long term debt	**3,801**	15,658	**-**	-	**-**	-	**-**	-	**-**	-
Bad debts expense	**192,024**	81,003	**-**	-	**-**	-	**-**	-	**-**	-
Other operating expense	**-**	-	**-**	-	**-**	-	**524,976**	(2,243,278)	**-**	-
Total expenses	**4,437,595**	4,163,404	**6,653,594**	5,961,585	**9,550,099**	9,341,998	**4,484,027**	1,446,722	**275,839**	246,321
SURPLUS (DEFICIT)	**42,556,653**	45,371,653	**(6,331,700)**	(5,679,274)	**(9,414,447)**	(9,286,461)	**(130,357)**	2,578,550	**12,461**	1,069

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

CITY OF STEINBACH

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2025

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
REVENUE										
Property taxes	**-**	-	**-**	-	**-**	-	**-**	-	**23,367,741**	20,280,441
Grants in lieu of taxation	**-**	-	**-**	-	**-**	-	**-**	-	**246,227**	220,855
User fees	**1,297,343**	1,386,752	**-**	-	**2,443,281**	1,714,116	**-**	-	**8,773,976**	7,630,834
Prov of MB - unconditional grants	**-**	-	**-**	-	**-**	-	**-**	-	**4,949,980**	4,672,428
Prov of MB - conditional grants	**-**	-	**-**	-	**192,531**	241,142	**-**	-	**299,524**	1,253,271
Grants - Other	**-**	-	**-**	-	**21,337**	14,110	**-**	-	**1,052,755**	8,956,403
Permits, licences and fees	**-**	-	**-**	-	**-**	-	**-**	-	**1,263,700**	697,051
Investment revenue	**29,579**	35,541	**-**	-	**5,720**	7,584	**-**	-	**1,606,839**	2,032,656
Other revenue	**-**	706,193	**-**	-	**7,471**	47,594	**-**	-	**15,736,824**	13,761,200
Water and sewer	**-**	-	**-**	-	**-**	-	**12,300,218**	6,680,102	**11,093,678**	5,473,562
Total revenue	**1,326,922**	2,128,486	**-**	-	**2,670,340**	2,024,546	**12,300,218**	6,680,102	**68,391,244**	64,978,701
EXPENSES										
Personnel services	**220,703**	151,205	**-**	-	**3,942,114**	3,613,382	**1,260,691**	1,203,683	**12,365,582**	11,500,116
Contract services	**-**	34	**3,815**	53,209	**10,029**	26,054	**1,331,002**	1,617,566	**5,324,795**	5,335,140
Utilities	**10,862**	8,806	**-**	-	**685,580**	370,765	**521,019**	620,609	**1,902,416**	1,676,680
Maintenance materials & supplies	**332,690**	372,975	**71,353**	22,608	**1,457,879**	1,287,034	**6,392**	4,697	**7,073,069**	6,435,922
Grants & contributions	**-**	-	**-**	-	**671,497**	395,987	**723**	1,870	**1,320,405**	1,033,960
Amortization	**-**	-	**-**	-	**952,512**	948,698	**3,515,930**	3,449,498	**11,688,877**	11,473,509
Interest on long term debt	**-**	-	**-**	-	**285,000**	-	**119,942**	193,634	**408,743**	209,292
Bad debts expense	**-**	-	**-**	-	**-**	-	**-**	-	**192,024**	81,003
Other operating expense	**-**	-	**-**	-	**21,606**	24,179	**-**	-	**546,582**	(2,219,099)
Total expenses	**564,255**	533,020	**75,168**	75,817	**8,026,217**	6,666,099	**6,755,699**	7,091,557	**40,822,493**	35,526,523
SURPLUS (DEFICIT)	**762,667**	1,595,466	**(75,168)**	(75,817)	**(5,355,877)**	(4,641,553)	**5,544,519**	(411,455)	**27,568,751**	29,452,178

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

CITY OF STEINBACH

Schedule 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2025

	Core Government		Controlled Entities		Total	
	2025	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$
REVENUE						
Property taxes	**23,367,741**	20,280,441	**-**	-	**23,367,741**	20,280,441
Grants in lieu of taxation	**246,227**	220,855	**-**	-	**246,227**	220,855
User fees	**8,637,466**	7,528,037	**136,510**	102,797	**8,773,976**	7,630,834
Prov of MB - unconditional grants	**4,949,980**	4,672,428	**-**	-	**4,949,980**	4,672,428
Prov of MB - conditional grants	**106,993**	1,012,129	**192,531**	241,142	**299,524**	1,253,271
Grants - Other	**1,031,418**	8,942,293	**21,337**	14,110	**1,052,755**	8,956,403
Permits, licences and fees	**1,263,700**	697,051	**-**	-	**1,263,700**	697,051
Investment revenue	**1,571,540**	1,989,531	**35,299**	43,125	**1,606,839**	2,032,656
Other revenue	**15,869,353**	13,147,413	**(132,529)**	613,787	**15,736,824**	13,761,200
Water and sewer	**11,093,678**	5,473,562	**-**	-	**11,093,678**	5,473,562
Total revenue	**68,138,096**	63,963,740	**253,148**	1,014,961	**68,391,244**	64,978,701
EXPENSES						
Personnel services	**11,975,816**	11,091,819	**389,766**	408,297	**12,365,582**	11,500,116
Contract services	**5,310,951**	5,256,296	**13,844**	78,844	**5,324,795**	5,335,140
Utilities	**1,891,174**	1,670,159	**11,242**	6,521	**1,902,416**	1,676,680
Maintenance materials & supplies	**6,921,988**	6,331,283	**151,081**	104,639	**7,073,069**	6,435,922
Grants & contributions	**1,710,285**	1,427,853	**(389,880)**	(393,893)	**1,320,405**	1,033,960
Amortization	**11,678,971**	11,464,005	**9,906**	9,504	**11,688,877**	11,473,509
Interest on long term debt	**408,743**	209,292	**-**	-	**408,743**	209,292
Bad debts expense	**192,024**	81,003	**-**	-	**192,024**	81,003
Other operating expense	**524,976**	(2,243,278)	**21,606**	24,179	**546,582**	(2,219,099)
Total expenses	**40,614,928**	35,288,432	**207,565**	238,091	**40,822,493**	35,526,523
SURPLUS (DEFICIT)	**27,523,168**	28,675,308	**45,583**	776,870	**27,568,751**	29,452,178

CITY OF STEINBACH

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	General Reserve $	Machinery Replacement Reserve $	Land & Facility Reserve $	Capital Development Reserve $	Environmenta l Reserve $	Aquatic Centre Reserve $	Perpetual Care Reserve $
FINANCIAL ASSETS							
Cash and cash equivalents	604,135	-	-	557,205	57,460	-	493,637
Accounts receivable	1,308	-	42,001	141,130	208,730	3,034	1,069
Portfolio investments	-	-	2,679,721	6,220,100	6,682,000	878,771	-
Due from other funds	530,167	496,795	6,996,525	3,317,056	1,851,281	184,785	588,772
	1,135,610	496,795	9,718,247	10,235,491	8,799,471	1,066,590	1,083,478
REVENUE							
Investment revenue	33,538	14,665	251,217	335,779	306,400	49,440	29,988
TRANSFERS							
Transfer to reserves	-	-	3,965,000	1,222,870	1,841,171	-	68,003
Transfer from reserves	-	-	2,000,000	306,180	398,564	-	-
	-	-	1,965,000	916,690	1,442,607	-	68,003
CHANGE IN FUND BALANCES	33,538	14,665	2,216,217	1,252,469	1,749,007	49,440	97,991
FUND SURPLUS, BEGINNING OF YEAR	1,102,072	482,130	7,502,030	8,983,022	7,050,464	1,017,150	985,487
FUND SURPLUS, END OF YEAR	1,135,610	496,795	9,718,247	10,235,491	8,799,471	1,066,590	1,083,478

CITY OF STEINBACH

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	Committed Expenditures Reserve $	Land Dedication Reserve $	Recreations Reserve $	Canada Community-Building Fund Reserve $	Utility Replacement Reserve $	2025 Actual $	2024 Actual $
FINANCIAL ASSETS							
Cash and cash equivalents	170,361	275,468	-	-	1,137,824	3,296,090	3,195,520
Accounts receivable	23,975	597	-	35,398	2,464	459,706	382,929
Portfolio investments	1,533,286	-	-	4,142,420	-	22,136,298	19,761,048
Due from other funds	3,082,155	162,648	1,194,893	2,901,237	701,266	22,007,580	15,285,556
	4,809,777	438,713	1,194,893	7,079,055	1,841,554	47,899,674	38,625,053
REVENUE							
Investment revenue	92,299	12,662	33,466	270,859	58,080	1,488,393	1,920,439
TRANSFERS							
Transfer to reserves	2,306,310	10,000	-	1,031,418	220,000	10,664,772	8,630,205
Transfer from reserves	-	-	-	75,000	(98,800)	(2,878,544)	(16,268,297)
	2,306,310	10,000	-	956,418	121,200	7,786,228	(7,638,092)
CHANGE IN FUND BALANCES	2,398,609	22,662	33,466	1,227,277	179,280	9,274,621	(5,717,653)
FUND SURPLUS, BEGINNING OF YEAR	2,411,168	416,051	1,161,427	5,851,778	1,662,274	38,625,053	44,342,706
FUND SURPLUS, END OF YEAR	4,809,777	438,713	1,194,893	7,079,055	1,841,554	47,899,674	38,625,053

CITY OF STEINBACH **Schedule 7**

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2025

	2025 Actual $	2024 Actual $
FINANCIAL ASSETS		
Accounts receivable *(note 3)*	**1,273,479**	1,216,237
Due from other funds	**12,365,489**	18,740,402
	13,638,968	19,956,639
LIABILITIES		
Accounts payable and accrued liabilities *(note 6)*	**151,947**	150,416
Long-term debt *(note 9)*	**4,309,388**	3,284,083
Due to other funds	**12,380,037**	20,233,817
	16,841,372	23,668,316
NET DEBT	**(3,202,404)**	(3,711,677)
NON-FINANCIAL ASSETS		
Tangible capital assets *(schedule 1)*	**95,586,864**	90,737,794
Prepaid expenses	**99,142**	34,166
	95,686,006	90,771,960
FUND SURPLUS	**92,483,602**	87,060,283

CITY OF STEINBACH Schedule 8

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2025

	2025 Budget $	2025 Actual $	2024 Actual $
REVENUE			
WATER			
Water fees	**2,614,405**	**2,687,565**	2,522,882
Other water fees	**-**	**118,858**	-
	2,614,405	**2,806,423**	2,522,882
SEWER			
Sewer fees	**1,812,650**	**1,794,195**	1,643,730
PROPERTY TAXES	**1,206,540**	**1,206,540**	1,206,540
OTHER REVENUE			
Hydrant rentals	**113,850**	**113,850**	111,756
Connection charges	**-**	**121,600**	-
Installation service	**92,700**	**189,660**	133,490
Penalties	**12,896**	**19,514**	18,547
Contributed tangible capital assets	**-**	**5,920,881**	997,940
Gain (loss) on sale of tangible capital assets	**-**	**1,956**	(19,856)
Other income	**29,176**	**125,599**	65,073
	248,622	**6,493,060**	1,306,950
TOTAL REVENUE	**5,882,217**	**12,300,218**	6,680,102
EXPENSES			
GENERAL			
Administration	**448,735**	**440,972**	422,564
Billing and collection	**34,160**	**35,371**	30,401
Utilities (telephone, electricity, etc.)	**5,961**	**6,392**	4,697
Other administration expense	**2,839**	**723**	1,870
	491,695	**483,458**	459,532
WATER			
Purification and treatment	**267,494**	**296,198**	292,036
Transmission and distribution	**1,330,264**	**1,111,245**	1,112,570
Service and other supply costs	**369,962**	**320,885**	314,830
	1,967,720	**1,728,328**	1,719,436
WATER AMORTIZATION AND INTEREST			
Amortization	**2,043,700**	**2,043,688**	2,044,078
Interest on long-term debt	**58,972**	**58,972**	75,184
	2,102,672	**2,102,660**	2,119,262
SEWER			
Collection system costs	**559,478**	**523,521**	489,083
Treatment and disposal costs	**335,653**	**219,757**	504,996
Lift station costs	**141,947**	**164,763**	275,378
	1,037,078	**908,041**	1,269,457

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2025

	2025 Budget $	2025 Actual $	2024 Actual $
SEWER AMORTIZATION AND INTEREST			
Amortization	**1,472,200**	**1,472,242**	1,405,420
Interest on long-term debt	**716,306**	**60,970**	118,450
	2,188,506	**1,533,212**	1,523,870
TOTAL EXPENSES	**7,787,671**	**6,755,699**	7,091,557
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**(1,905,454)**	**5,544,519**	(411,455)
TRANSFERS			
Transfer to reserves	**-**	**220,000**	264,000
Transfer from reserves	**-**	**98,800**	1,660,000
	-	**(121,200)**	1,396,000
CHANGE IN UTILITY FUND BALANCE	**(1,905,454)**	**5,423,319**	984,545
FUND SURPLUS, BEGINNING OF YEAR	**87,060,283**	**87,060,283**	86,075,738
FUND SURPLUS, END OF YEAR	**85,154,829**	**92,483,602**	87,060,283

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2025

	Financial Plan General $	Financial Plan Utility $	Amortization (TCA) $	Interest Expense $	Transfers $	Long Term Accruals $	Consolidated Entities $	PSAB Budget $
REVENUE								
Property taxes	23,170,246	-	-	-	-	-	-	23,170,246
Grants in lieu of taxation	246,227	-	-	-	-	-	-	246,227
User fees	6,548,108	-	-	-	-	-	28,000	6,576,108
Grants - Province of Manitoba	4,684,800	-	-	-	-	-	-	4,684,800
Grants - Other	1,030,000	-	-	-	-	-	-	1,030,000
Permits, licences and fees	711,707	-	-	-	-	-	-	711,707
Investment revenue	300,000	-	-	-	-	-	20,000	320,000
Other revenue	761,087	-	-	-	-	-	-	761,087
Transfers	(3,924,100)	-	-	-	3,924,100	-	-	-
Water and sewer	(1,206,540)	5,882,217	-	-	-	-	-	4,675,677
	32,321,535	5,882,217	-	-	3,924,100	-	48,000	42,175,852
EXPENSES								
General government services	4,865,443	-	111,600	15,658	(300,659)	-	-	4,692,042
Protective services	6,396,128	-	305,300	-	-	-	-	6,701,428
Transportation services	3,730,308	-	6,203,200	-	-	-	-	9,933,508
Environmental health services	3,309,747	-	542,600	-	-	-	-	3,852,347
Public health and welfare services	200,600	-	57,800	-	-	-	-	258,400
Regional planning and development	527,373	-	-	-	-	-	-	527,373
Resource conservation and industrial development	99,500	-	-	-	-	-	10,600	110,100
Recreation and cultural services	5,846,742	-	942,600	285,000	-	-	-	7,074,342
Fiscal services	1,989,456	-	-	-	(1,989,456)	-	-	-
Transfers	5,356,238	1,025,000	-	-	(6,381,238)	-	-	-
Water and sewer	-	4,857,217	3,515,900	775,278	(1,360,724)	-	-	7,787,671
	32,321,535	5,882,217	11,679,000	1,075,936	(10,032,077)	-	10,600	40,937,211
SURPLUS (DEFICIT)	-	-	(11,679,000)	(1,075,936)	13,956,177	-	37,400	1,238,641

CITY OF STEINBACH

Schedule 10

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2025

	2025 Actual $	2024 Actual $
BALANCE, BEGINNING OF YEAR	**2,342,988**	2,455,287
Add:		
Tax Levy *(schedule 11)*	**41,888,927**	37,407,195
Taxes added	**875,063**	711,594
Business tax	**227,838**	206,178
Penalties and interest	**266,274**	240,173
Other accounts added	**264,570**	230,775
Sub-total	**45,865,660**	41,251,202
Deduct:		
Cash collections - current	**36,245,551**	30,409,680
Cash collections - arrears	**1,413,726**	1,399,392
Cancellations	**100,305**	58,052
Tax discounts	**-**	-
M.P.T.C. - cash advance	**5,161,449**	1,238,841
Manitoba school tax rebate	**57,687**	5,802,249
Sub-total	**42,978,718**	38,908,214
BALANCE, END OF YEAR	**2,886,942**	2,342,988

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2025

	Assessment	2025 Mill Rate	Levy	2024 Levy
Debt Charges:				
Frontage			-	-
L.I.D.			-	173,409
L.I.D.	1,612,255,050	1.157	1,865,747	342,254
At large *(note 10)*			1,209,338	1,203,948
			3,075,085	1,719,611
Reserves:				
Recreation	1,400,490,650		-	1,520,706
Other municipal levies:				
General municipal	1,400,490,650	8.455	11,841,149	9,667,086
Special levy *(note 11)*			7,348,606	6,455,266
			19,189,755	16,122,352
Total municipal taxes *(schedule 2)*			22,264,840	19,362,669
Education Support Levy	434,954,160	7.117	3,095,569	3,135,471
Special levy:				
Hanover School Division	1,337,258,770	12.360	16,528,518	14,909,055
Total education taxes			19,624,087	18,044,526
Total tax levy *(schedule 10)*			41,888,927	37,407,195

CITY OF STEINBACH

Schedule 12

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2025

	2025 Budget $	2025 Actual $	2024 Actual $
GENERAL GOVERNMENT SERVICES			
Legislative	**322,670**	**310,935**	292,117
General administrative	**4,369,372**	**4,126,660**	3,871,287
	4,692,042	**4,437,595**	4,163,404
PROTECTIVE SERVICES			
Police	**4,413,483**	**4,258,385**	3,822,901
Fire	**1,245,078**	**1,381,336**	1,160,938
Emergency measures	**28,187**	**33,010**	28,899
Other protective services	**1,014,680**	**980,863**	948,847
	6,701,428	**6,653,594**	5,961,585
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	**497,811**	**499,817**	462,915
Road and street maintenance	**8,928,616**	**8,576,175**	8,423,917
Sidewalk and boulevard maintenance	**53,045**	**25,581**	955
Street lighting	**403,444**	**381,472**	398,194
Air transport	**50,592**	**67,054**	56,017
	9,933,508	**9,550,099**	9,341,998
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	**2,186,087**	**2,874,448**	(86,589)
Recycling	**1,123,660**	**1,066,985**	1,023,062
Other	**542,600**	**542,594**	510,249
	3,852,347	**4,484,027**	1,446,722
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	**238,400**	**256,074**	226,556
Social assistance	**20,000**	**19,765**	19,765
	258,400	**275,839**	246,321
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	**49,523**	**134,916**	205,633
Beautification and land rehabilitation	**348,750**	**310,194**	233,591
Urban area weed control	**79,100**	**74,252**	64,954
Other	**50,000**	**44,893**	28,842
	527,373	**564,255**	533,020
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Water resources and conservation	**99,500**	**15,000**	15,000

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2025

	2025 Budget $	2025 Actual $	2024 Actual $
RECREATION AND CULTURAL SERVICES			
Administration	**482,166**	**454,706**	447,440
Swimming pools and beaches	**2,427,280**	**2,381,510**	2,301,965
Skating and curling rinks	**636,750**	**1,035,188**	462,002
Parks and playgrounds	**1,083,020**	**1,581,472**	1,448,012
Other recreational facilities	**1,669,250**	**1,636,830**	1,361,552
Libraries	**455,458**	**441,799**	438,807
Other cultural facilities	**320,418**	**347,315**	29,047
	7,074,342	**7,878,820**	6,488,825
TOTAL EXPENSES	**33,138,940**	**33,859,229**	28,196,875

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2025

	General $	Utility $	2025 Total $	2024 Total $
CONSOLIDATED ANNUAL SURPLUS *(statement 2)*	**22,024,232**	**5,544,519**	**27,568,751**	29,452,178
Elimination of appropriations from reserves	**2,779,744**	**(98,800)**	**2,680,944**	16,388,657
Elimination of appropriations to reserves	**(10,444,772)**	**(220,000)**	**(10,664,772)**	(8,750,565)
Consolidation of reserve operations	**(1,488,394)**	**-**	**(1,488,394)**	(1,920,439)
Elimination of controlled entity operations	**(45,583)**	**-**	**(45,583)**	(776,870)
Amortization of tangible capital assets	**8,163,041**	**3,515,930**	**11,678,971**	11,464,005
Principal portion of long term debt	**(1,576,977)**	**(1,074,695)**	**(2,651,672)**	(1,513,255)
Contributed capital assets	**(9,940,753)**	**(5,920,881)**	**(15,861,634)**	(3,244,978)
Proceeds on disposal of assets	**44,167**	**-**	**44,167**	232,598
(Gain)/Loss on sale of Tangible Capital Assets	**(17,170)**	**-**	**(17,170)**	(220,078)
Change in landfill liability	**524,975**	**-**	**524,975**	(2,960,419)
Acquisitions of capital assets from operating funds	**(2,428,448)**	**(402,990)**	**(2,831,438)**	(34,993,950)
ESTIMATED EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS OVER EXPENDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT* **	**7,594,062**	**1,343,083**	**8,937,145**	3,156,884

*** Please note that this is an estimate based on the adjustments presented above since it is possible that not every required adjustment for PSAB purposes that is different from and affects the results based on the municipal budget has necessarily been reflected.

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