ROSSBURN MUNICIPALITY

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rossburn Municipality:

The Municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the consolidated financial statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

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

The Council is composed of elected officials who are not employees of the Municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Sensus Chartered Professional Accountants Ltd., as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditor's Report is addressed to the Mayor and Council and appears on the following page. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

Shirley Kalyniuk
Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:
Rossburn Municipality
Rossburn, Manitoba

Qualified Opinion

We have audited the consolidated financial statements of Rossburn Municipality, which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of operations, the consolidated statement of changes in net financial assets, the consolidated statement of cash flows, the consolidated statement of remeasurement gains (losses) for the year then ended, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Rossburn Municipality as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Public Sector Accounting Board has introduced section PS 3280 which is a standard establishing guidance on the accounting and reporting on the retirement of tangible capital assets controlled by the Municipality. The Municipality has not provided a reasonable estimate for the asset retirement costs associated with their landfill, lagoon, wells or buildings containing asbestos, to determine the asset retirement obligation. As such, we have qualified our audit opinion due to the departure from Canadian public sector accounting standards. The effects of this departure on the financial statements for the year ended December 31, 2025 and December 31, 2024 have not been determined, as there is insufficient information available to do so. Our audit opinion on the consolidated financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Rossburn Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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 qualified 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 Rossburn Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Rossburn Municipality or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian auditing standards, we exercise our professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rossburn Municipality's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rossburn Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rossburn Municipality to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the directions, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sensus

Brandon, Manitoba
July 2, 2026; August 7, 2026

Chartered Professional Accountants Ltd.

ROSSBURN MUNICIPALITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash (Note 3)	$ **1,938,136**	$ 601,133
Amounts receivable (Note 4)	**759,517**	2,842,589
Portfolio investments (Note 2)	**42,646**	41,809
	2,740,299	3,485,531
LIABILITIES		
Bank indebtedness (Note 3)		901,025
Accounts payable and accrued liabilities (Note 6)	**288,631**	288,457
Deferred revenue	**133,891**	155,942
Long-term debt (Note 8)	**384,327**	405,130
Obligations under capital lease (Note 10)	**1,112,887**	710,879
	1,919,736	2,461,433
NET FINANCIAL ASSETS	**820,563**	1,024,098
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**5,723,526**	5,182,688
Inventories (Note 5)	**108,929**	77,463
Prepaid expenses	**69,596**	68,255
Real estate properties held for sale (Note 2)	**116,391**	155,213
	6,018,442	5,483,619
ACCUMULATED SURPLUS (Note 15)	$ **6,839,005**	$ 6,507,717

	2025	2024
Accumulated surplus is comprised of:		
Accumulated surplus (deficit) excluding remeasurement gains (losses)	$ **6,839,005**	$ 6,507,717
Accumulated remeasurement gains (losses)		
	$ **6,839,005**	$ 6,507,717

CONTINGENCIES (Note 11)

ROSSBURN MUNICIPALITY
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2025

	2025 Budget (Note 14)	2025 Actual	2024 Actual
REVENUE			
Property taxes	$ **2,682,566**	$ **2,682,037**	$ 2,338,840
Grants in lieu of taxation	**40,388**	**40,388**	37,519
User fees	**261,335**	**296,891**	317,493
Permits, licences and fines	**8,050**	**12,192**	13,826
Investment income	**30,799**	**55,201**	84,639
Other revenue	**113,650**	**157,104**	261,473
Water and sewer	**625,816**	**495,119**	481,858
Grants - Province of Manitoba	**387,619**	**232,694**	1,898,820
Grants - Other	**59,446**	**88,907**	72,307
Total revenue (Schedules 2, 4 and 5)	**4,209,669**	**4,060,533**	5,506,775
EXPENSES			
General government services	**779,062**	**775,971**	765,878
Protective services	**140,577**	**122,984**	121,809
Transportation services	**1,909,473**	**1,708,181**	3,345,512
Environmental health services	**117,856**	**151,939**	112,036
Public health and welfare services	**152,708**	**88,967**	92,586
Regional planning and development	**18,100**	**17,641**	32,481
Resource conservation and industrial development	**69,218**	**80,958**	69,421
Recreation and cultural services	**469,015**	**384,766**	479,537
Water and sewer services	**420,558**	**397,838**	362,395
Total expenses (Schedules 3, 4 and 5)	**4,076,567**	**3,729,245**	5,381,655
ANNUAL SURPLUS	$ **133,102**	**331,288**	125,120
ACCUMULATED SURPLUS, BEGINNING OF YEAR		**6,507,717**	6,382,597
ACCUMULATED SURPLUS, END OF YEAR		$ **6,839,005**	$ 6,507,717

ROSSBURN MUNICIPALITY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2025

	2025 Budget (Note 14)	2025 Actual	2024 Actual
ANNUAL SURPLUS	**$ 133,102**	**$ 331,288**	$ 125,120
Acquisition of tangible capital assets	**(740,900)**	**(1,084,502)**	(918,342)
Amortization of tangible capital assets	**351,911**	**351,911**	411,325
Loss (gain) on sale of tangible capital assets		**(9,247)**	41,087
Proceeds on sale of tangible capital assets		**201,000**	
Decrease (increase) in inventories		**(31,466)**	41,882
Increase in prepaid expenses		**(1,341)**	(29,075)
Increase in real estate properties held for sale		**38,822**	(32,001)
	(388,989)	**(534,823)**	(485,124)
CHANGE IN NET FINANCIAL ASSETS	**$ (255,887)**	**(203,535)**	(360,004)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		**1,024,098**	1,384,102
NET FINANCIAL ASSETS, END OF YEAR		**$ 820,563**	$ 1,024,098

ROSSBURN MUNICIPALITY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	**$ 331,288**	$ 125,120
Changes in non-cash items:		
Amounts receivable	**2,083,069**	(1,781,721)
Inventories	**(31,466)**	41,882
Prepaids	**(1,341)**	(29,075)
Accounts payable and accrued liabilities	**175**	141,658
Deferred revenue	**(22,051)**	(11,594)
Gain (loss) on sale of properties held for resale	**(30,696)**	
Loss (gain) on sale of tangible capital assets	**(9,247)**	41,087
Amortization	**351,911**	411,325
Cash provided by operating transactions	**2,671,642**	(1,061,318)
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**201,000**	
Cash used to acquire tangible capital assets	**(1,084,502)**	(918,342)
Cash applied to capital transactions	**(883,502)**	(918,342)
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	**70,001**	
Purchase of portfolio investments	**(837)**	(700)
Acquisition of real estate properties	**(482)**	(32,001)
Cash applied to investing transactions	**68,682**	(32,701)
FINANCING TRANSACTIONS		
Increase (decrease) in bank indebtedness	**(901,025)**	901,025
Debt repayment	**(20,803)**	(29,602)
Repayment of obligation under capital lease	**402,009**	710,879
Cash applied to financing transactions	**(519,819)**	1,582,302
INCREASE (DECREASE) IN CASH	**1,337,003**	(430,059)
CASH, BEGINNING OF YEAR	**601,133**	1,031,192
CASH, END OF YEAR	**$ 1,938,136**	$ 601,133

ROSSBURN MUNICIPALITY
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2025

	2025 Actual	2024 Actual
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	**$**	$
Unrealized gains (losses) attributable to:		
Portfolio investments		
Foreign exchange		
Derivatives		
Amounts reclassified to the statement of operations:		
Portfolio investments		
Foreign exchange		
Derivatives		
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR		
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	**$**	$

1. STATUS OF THE ROSSBURN MUNICIPALITY

The incorporated Rossburn Municipality ("the Municipality") is a Municipality that was established as of January 1, 2015 pursuant to The Municipal Amalgamations Act. The Rossburn Municipality reflects the amalgamation of the former Town of Rossburn and Rural Municipality of Rossburn. 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 owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SUMMARY OF 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:

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. The controlled organizations include:

Rossburn District Handivan Committee
Rossburn Community Development Corporation

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment 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 consolidated financial statements. Inter-company balances and transactions have been eliminated. The Municipality does not have any government partnerships.

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

Trust funds and their related operations administered by the Municipality are not consolidated in these consolidated financial statements. The trust funds administered by the Municipality are presented in Note 17.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that 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 value of these financial instruments approximates carrying values.

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

Fair value:

This category includes derivatives and equity instruments quoted in an active market. The Municipality has not designated any of its portfolio investments or borrowings at fair value that would otherwise be 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 consolidated statement of remeasurement gains (losses) until they are realized. When realized they are transferred to the consolidated 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 consolidated statement of operations.

Cost or amortized cost:

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and long-term 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.

Foreign Currency Translation

The Municipality's foreign currency risk is reflected in its consolidated financial statements. Monetary assets and liabilities, denominated in a foreign currency, are translated at the year-end rate of exchange. Revenue and expense arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation (continued)

At each consolidated financial statement date, monetary assets, and liabilities, must be adjusted to reflect the exchange rate in effect at that date. Unrealized foreign exchange gains or losses that arise prior to settlement are recognized in the consolidated statement of remeasurement gains (losses).

In the period of settlement, the cumulative amount of foreign exchange gains and losses is removed from the consolidated statement of remeasurement gains (losses) and is recognized in the consolidated statement of operations.

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 insignificant risk of changes in value.

Portfolio Investments

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

Portfolio investments denominated in a foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at December 31st. Changes in the value of portfolio investments due to foreign currency changes are recorded in the consolidated statement of remeasurement gains (losses) until the investments are sold.

Investment income on portfolio investments, denominated in a foreign currency, are translated to Canadian dollar equivalents at the exchange rate in effect at the date of the transaction.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 and general criteria in PS 1000, Financial Statement Concepts.

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.

<u>**General Tangible Capital Assets**</u>

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Revenue Recognition

Fees and Other Revenues

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service or series of distinct goods or services to a payor for consideration. The Municipality 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 goods or services to a payor. The Municipality 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 Municipality has the authority and identifies a past transaction or event that gives rise to an asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fees and Other Revenues (continued)

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on delivery of 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 31st, 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations (continued)

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.

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.

Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued amounts are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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 consolidated financial statements exists in the estimate of asset retirement obligations. 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 consolidated financial statement date. The actual future cash flows and timing of obligations arising from asset retirement may differ significantly from these estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Changes in Accounting Standards

A number of new and amended Canadian public sector accounting standards have been issued and not applied in preparing these consolidated financial statements. These standards will come into effect as follows:

- The Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of PSAS 100 (Financial Statement Concepts) and PSAS 1100 (Financial Statement Objectives) for fiscal years beginning on or after January 1, 2027. The Conceptual Framework is applied prospectively.
- PSAS 1202, Financial Statement Presentation, replaces PSAS 1201 for fiscal years beginning January 1, 2027.
- PSAS 3150, Tangible Capital Assets, has been amended for municipal fiscal years beginning January 1, 2031. Early adoption is permitted.

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Municipality is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. CASH

Cash is comprised of the following:

	2025	2024
Cash	**$ 1,938,136**	$ 601,133

The Municipality has designated $2,148,109 (2024 - $2,071,127) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has an authorized line of credit of $1,000,000 (2024 - $1,000,000) through Fusion Credit Union Ltd. with interest at a rate of 4.95% (2024 - 5.95%). The line of credit is secured by the taxes receivable.

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2025	2024
Taxes on roll (Schedule 11)	**$ 398,917**	$ 311,289
Utility customers (Schedule 8)	**131,875**	177,705
Organizations and individuals	**186,804**	604,935
Other governments	**41,984**	1,748,723
	759,580	2,842,652
Less allowance for doubtful amounts	**(63)**	(63)
	$ 759,517	$ 2,842,589

5. INVENTORIES

	2025	2024
Inventories for use:		
History books	**$ 16,313**	$ 13,698
Culverts	**67,838**	38,987
Maintenance materials	**24,778**	24,778
	$ 108,929	$ 77,463

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Accounts payable	**$ 259,612**	$ 242,421
Accrued expenses	**29,019**	46,036
	$ 288,631	$ 288,457

7. ASSET RETIREMENT OBLIGATIONS

An accounting standard that addresses the reporting of legal obligations associated with the retirement of tangible capital assets is required, and effective for fiscal years beginning on or after April 1, 2022. However, the Municipality has not adopted the standard, therefore the audit report has been qualified due to a departure from section PS 3280.

8. LONG-TERM DEBT

		2025		2024
Utility Funds				
Debenture, payable at $35,489 annually including interest at 3.625%, maturing December 31, 2039	**$**	**384,327**	$	405,130

Principal payments due in the next five years are as follows:

2026	$	21,557
2027		22,336
2028		23,148
2029		23,987
2030		24,857
	$	115,885

9. DEBENTURES PENDING

Authority	Purpose		Authorized
		$	

10. OBLIGATION UNDER CAPITAL LEASE(S)

The Municipality is leasing a 2024 Caterpillar 160-15AWD motor grader from Caterpillar Financial Services Ltd. with a monthly lease payments of $13,843 plus GST and PST. Payments are due at the beginning of each lease period with the lease expiring September 2029. Minimum annual lease payments including PST are as follows:

2026	$ 177,744
2027	177,744
2028	177,744
2029	122,140
Total minimum lease	$ 655,372
Less amount representing future interest	(77,670)
Balance of obligation	$ 577,702

Interest expense includes $44,566 (2024 - $21,198) with respect to this obligation.

Assets under capital lease include machinery and equipment.

	2025	2024
Cost of leased tangible capital assets	**$ 763,739**	$ 763,739
Accumulated amortization of leased tangible capital assets	**(67,888)**	(16,972)
	$ 695,851	$ 746,767

Amortization expense includes $50,916 (2024 - $16,972) on leased tangible capital assets.

10. OBLIGATION UNDER CAPITAL LEASE(S) (continued)

The Municipality is leasing a 2025 John Deere 872G motor grader from John Deere with a monthly lease payments of $9,754 plus GST and PST. Payments are due at the beginning of each lease period with the lease expiring October 2030. Minimum annual lease payments including PST are as follows:

2026	$ 125,241
2027	125,241
2028	125,241
2029	125,241
2030	106,406
Total minimum lease	$ 607,370
Less amount representing future interest	(72,185)
Balance of obligation	$ 535,185

Interest expense includes $2,341 (2024 - $0) with respect to this obligation.

Assets under capital lease include machinery and equipment.

	2025	2024
Cost of leased tangible capital assets	**$ 735,185**	$
Accumulated amortization of leased tangible capital assets	**(4,084)**	
	$ 731,101	$

Amortization expense includes $4,084 (2024 - $0) on leased tangible capital assets.

	2025	2024
Total obligations under capital lease	**$ 1,112,887**	$ 710,879

11. CONTINGENCIES

The Municipality is currently involved in a dispute relating to an alleged breach of contract. The counterparty has asserted a claim of $604,230. At this time, the outcome of the matter is uncertain, and it is unclear whether the parties will enter into settlement negotiations or whether the matter will proceed to litigation. Management, in consultation with legal counsel, is unable to determine the likelihood of loss or to reasonably estimate any potential financial impact. Accordingly, no provision has been recorded in these financial statements. The Municipality will continue to monitor the matter and will recognize a provision if and when the criteria for recognition under applicable accounting standards are met.

12. 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 2.0% 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 amounted to $40,586 (2024 - $35,607) 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 has an unfunded solvency liability of $16.325 million, making the plan 98.4% funded on a solvency basis. 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.

13. 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 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 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 consolidated 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.

15. ACCUMULATED SURPLUS

	2025	2024
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	**$ 274,272**	$ 266,689
Utility Operating Fund(s) - Nominal Surplus (Deficit)	**3,249**	(88,325)
TCA net of related borrowings	**4,226,311**	4,056,211
Reserve Funds	**2,148,109**	2,071,127
Accumulated Surplus of Municipality Unconsolidated	**6,651,941**	6,305,702
Accumulated Surpluses of Consolidated Entities	**187,064**	202,015
Accumulated Surplus per Consolidated Statement of Financial Position	**$ 6,839,005**	$ 6,507,717

16. 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 $85,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2025:

a) Compensation paid to members of council amounted to $93,994 in aggregate.

b) There were no members of council receiving compensation in excess of $85,000 individually.

Council Members:

	Compensation	Expenses	Total
Jonathan Kostecki	$ 14,650	$ 4,161	$ 18,811
Adam Grabowski	13,990	868	14,858
Shirley Kalyniuk	13,314	1,340	14,654
Ray Armbruster	12,540	2,023	14,563
Alicia Grassinger	13,820	382	14,202
Russ Andrew	12,540	1,012	13,552
Richard Strank	13,140	295	13,435
	$ 93,994	$ 10,081	$ 104,075

c) There were no officers or employees that received compensation in excess of $85,000.

17. TRUST FUNDS

The Municipality administers the following trust funds that are not consolidated into these consolidated financial statements:

	Balance, beginning of year	Excess (deficiency) of receipts over disbursements	Balance, end of year
Cemetery Trust	$ 62,237	$ (4,869)	$ 57,368

18. 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 or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining net book value.

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Sunset Point	$ 194,950	$	$ 24,369	$ 170,581

19. SEGMENTED INFORMATION

The Rossburn Municipality provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource 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 consolidated financial statements as described in the summary of significant accounting policies.

20. 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. The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2025	2024
Financial Position		
Financial assets	$	$
Liabilities		
Net financial assets		
Non-financial assets		
Accumulated surplus	$	$
Result of Operations		
Revenues	$	$
Expenses		
Intercompany revenue and expense eliminations		
Annual surplus	$	$

21. PUBLIC PRIVATE PARTNERSHIPS

The Municipality is not a party to any public private partnerships.

ROSSBURN MUNICIPALITY
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2025

	General Capital Assets				Infrastructure			Totals	
Cost	**Land and Land Improvements**	**Building and Leasehold Improvements**	**Vehicles and Equipment**	**Computer Hardware and Software**	**Roads, Streets, and Bridges**	**Water and Sewer**	**Assets Under Construction**	**2025**	**2024**
Opening costs	$ 1,187,422	2,188,931	2,781,898	25,378	9,366,289	2,033,724	73,075	$ 17,656,717	$ 16,875,056
Additions during the year		30,169	1,013,661	4,802			35,870	1,084,502	918,342
Disposals and write downs	(1,500)		(428,069)					(429,569)	(136,681)
Transfers									
Closing costs	1,185,922	2,219,100	3,367,490	30,180	9,366,289	2,033,724	108,945	18,311,650	17,656,717
Accumulated Amortization									
Opening accum'd amortization	275,811	1,021,818	1,467,431	21,211	8,385,054	1,302,704		12,474,029	12,158,298
Amortization	10,447	62,813	154,912	1,964	69,690	52,085		351,911	411,325
Disposals and write downs			(237,816)					(237,816)	(95,594)
Closing accum'd amortization	286,258	1,084,631	1,384,527	23,175	8,454,744	1,354,789		12,588,124	12,474,029
Net Book Value of Tangible Capital Assets	$ 899,664	1,134,469	1,982,963	7,005	911,545	678,935	108,945	$ 5,723,526	$ 5,182,688

Water and sewer underground networks contributed to the Municipality totals $884,419 and were capitalized at their fair value at the time of their receipt.

The Municipality has 424 km of roads that were capitalized at a nominal value of $7,632,000.

ROSSBURN MUNICIPALITY
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES
For the year ended December 31, 2025

	2025 Actual	2024 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	$ 2,666,370	$ 2,333,923
Taxes added	15,667	4,917
	2,682,037	2,338,840
Grants in lieu of taxation:	40,388	37,519
User fees:		
Sales of service	259,936	263,925
Rentals	36,955	53,568
	296,891	317,493
Permits, licences and fines:		
Permits	11,092	13,736
Licences	100	90
Fines	1,000	
	12,192	13,826
Investment income:	55,201	84,639
Other revenue:		
Gain on sale of tangible capital assets	9,247	
Gain (loss) on sale of real estate held for sale	30,696	
Donations	3,721	124,359
Penalties and interest	46,809	38,841
Miscellaneous	66,631	98,273
	157,104	261,473
Water and sewer		
Municipal utility	495,119	481,858
Grants - Province of Manitoba:		
Municipal operating grants	166,596	163,218
Other unconditional grants		1,622,783
Conditional grants	66,098	112,819
	232,694	1,898,820
Grants - other:		
Federal government - Canada Community-Building Fund (gas tax)	56,361	54,107
Federal government - other	3,973	
Other agencies	28,573	18,200
	88,907	72,307
Total revenue	$ 4,060,533	$ 5,506,775

ROSSBURN MUNICIPALITY
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
For the year ended December 31, 2025

	2025 Actual	2024 Actual
General government services:		
Legislative	$ 115,404	$ 108,182
General administrative	566,962	646,375
Other	93,605	11,321
	775,971	765,878
Protective services:		
Fire	75,935	63,727
Emergency measures	7,294	7,148
Other protection	39,755	50,934
	122,984	121,809
Transportation services:		
Road transport		
Administration and engineering	449,041	408,046
Road and street maintenance	1,231,491	1,268,922
Bridge maintenance	750	
Sidewalk and boulevard maintenance	8,762	884
Street lighting	17,379	19,802
Other	758	25,075
Disaster Financial Assistance		1,622,783
	1,708,181	3,345,512
Environmental health services:		
Waste collection and disposal	119,367	87,628
Recycling	32,572	24,408
	151,939	112,036
Public health and welfare services:		
Medical care	85,417	89,036
Social assistance	3,550	3,550
	88,967	92,586
Regional planning and development:		
Planning and zoning	183	11,587
Beautification and land rehabilitation	10,342	18,778
Urban area weed control	264	556
Other	6,852	1,560
	17,641	32,481
Sub-total	$ 2,865,683	$ 4,470,302

ROSSBURN MUNICIPALITY
SCHEDULE 3 - UNCONSOLIDATED SCHEDULE OF EXPENSES - Continued
For the year ended December 31, 2025

	2025 Actual	2024 Actual
Sub-total (Carry forward)	$ 2,865,683	$ 4,470,302
Resource conservation and industrial development:		
Rural area weed control	6,005	2,000
Veterinary services	4,955	4,796
Water resources and conservation	33,421	32,729
Tourism	4,262	4,668
Other	32,315	25,228
	80,958	69,421
Recreation and cultural services:		
Administration	67,424	145,025
Community centres and halls	74,383	50,141
Swimming pools and beaches	2,069	803
Loss on disposal of tangible capital assets		41,086
Skating and curling rinks	38,881	38,444
Parks and playgrounds	111,816	108,033
Other recreational facilities	834	15,469
Museums	2,970	2,057
Libraries	25,261	18,043
Other cultural facilities	60,714	60,436
Golf course	414	
	384,766	479,537
Water and sewer (Schedule 9)		
Municipal utility	397,838	362,395
Total expenses	$ 3,729,245	$ 5,381,655

ROSSBURN MUNICIPALITY
SCHEDULE 4 - CONSOLIDATED STATEMENT 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	$ 2,682,037	$ 2,338,840								
Grants in lieu of taxation	40,388	37,519								
User fees	20,490	53,159			15,249	14,877	30,456	42,961	28,018	28,438
Grants - other	71,229	71,807								
Permits, licences and fines	12,192	13,826								
Investment income	51,840	79,728							1,062	974
Other revenue	150,183	125,073							21	40
Water and sewer										
Prov of MB - unconditional grants	166,596	163,217								
Prov of MB - conditional grants	26,775	1,706,399	10,908						28,415	29,204
Total revenue	3,221,730	4,589,568	10,908		15,249	14,877	30,456	42,961	57,516	58,656
EXPENSES										
Personnel services	357,699	338,366	52,373	52,106	436,989	396,953	12,228	12,729	40,862	37,547
Contract services	251,847	155,084	26,914	35,126	746,684	737,625	113,304	81,369	12,641	12,900
Utilities	12,390	11,321	9,962	9,781	14,991	14,535	3,767	3,757	647	528
Maintenance, materials and supplies	56,342	155,807	15,599	5,967	310,341	385,507	12,214	3,652	11,787	15,876
Grants and contributions	43,099	26,020							4,331	4,000
Amortization	8,005	7,861	18,136	18,829	199,176	163,459	10,426	10,529	17,571	21,059
Interest on long-term debt						21,532				
Other	46,589	71,419				1,625,901			1,128	676
Total expenses	775,971	765,878	122,984	121,809	1,708,181	3,345,512	151,939	112,036	88,967	92,586
Surplus (Deficit)	$ 2,445,759	$ 3,823,690	(112,076)	(121,809)	(1,692,932)	(3,330,635)	(121,483)	(69,075)	(31,451)	(33,930)

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

ROSSBURN MUNICIPALITY
SCHEDULE 4 - CONSOLIDATED STATEMENT 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									**$ 2,682,037**	$2,338,840
Grants in lieu of taxation									**40,388**	37,519
User fees			**2,202**		**200,476**	178,058			**296,891**	317,493
Grants - other			**1,000**	500	**16,678**				**88,907**	72,307
Permits, licences and fines									**12,192**	13,826
Investment income			**2,299**	3,937					**55,201**	84,639
Other revenue			**3,200**	12,044	**3,700**	124,316			**157,104**	261,473
Water and sewer							**495,119**	481,858	**495,119**	481,858
Prov of MB - unconditional grants									**166,596**	163,217
Prov of MB - conditional grants									**66,098**	1,735,603
Total revenue			**8,701**	16,481	**220,854**	302,374	**495,119**	481,858	**4,060,533**	5,506,775
EXPENSES										
Personnel services		2,316	**2,400**	4,487	**15,808**	7,318	**43,515**	43,662	**961,874**	895,484
Contract services	**525**	13,086	**26,632**	10,971	**157,840**	143,477	**60,111**	57,493	**1,396,498**	1,247,131
Utilities			**16,867**	17,792	**91,954**	81,145	**18,694**	17,480	**169,272**	156,339
Maintenance, materials and supplies	**10,264**	15,519	**6,490**	5,610	**53,596**	40,841	**203,482**	172,901	**680,115**	801,680
Grants and contributions			**19,639**	18,616	**14,538**	8,991			**81,607**	57,627
Amortization			**5,700**	5,700	**40,812**	133,219	**52,085**	50,669	**351,911**	411,325
Interest on long-term debt							**19,584**	20,115	**19,584**	41,647
Other	**6,852**	1,560	**3,230**	6,245	**10,218**	64,546	**367**	75	**68,384**	1,770,422
Total expenses	**17,641**	32,481	**80,958**	69,421	**384,766**	479,537	**397,838**	362,395	**3,729,245**	5,381,655
Surplus (Deficit)	**(17,641)**	(32,481)	**(72,257)**	(52,940)	**(163,912)**	(177,163)	**97,281**	119,463	**$ 331,288**	$ 125,120

ROSSBURN MUNICIPALITY
SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the year ended December 31, 2025

	Core Government		Controlled Entities		Government Partnerships		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUE								
Property taxes	**$ 2,682,037**	$ 2,338,840					**$ 2,682,037**	$ 2,338,840
Grants in lieu of taxation	**40,388**	37,519					**40,388**	37,519
User fees	**266,671**	289,055	**30,220**	28,438			**296,891**	317,493
Grants - other	**87,907**	71,807	**1,000**	500			**88,907**	72,307
Permits, licences and fines	**12,192**	13,826					**12,192**	13,826
Investment income	**51,840**	79,728	**3,361**	4,911			**55,201**	84,639
Other revenue	**153,883**	249,389	**3,221**	12,084			**157,104**	261,473
Water and sewer	**495,119**	481,858					**495,119**	481,858
Prov of MB - unconditional grants	**166,596**	163,217					**166,596**	163,217
Prov of MB - conditional grants	**37,683**	1,706,399	**28,415**	29,204			**66,098**	1,735,603
Total revenue	**3,994,316**	5,431,638	**66,217**	75,137			**4,060,533**	5,506,775
EXPENSES								
Personnel services	**918,612**	853,450	**43,262**	42,034			**961,874**	895,484
Contract services	**1,377,151**	1,237,781	**19,347**	9,350			**1,396,498**	1,247,131
Utilities	**168,625**	155,811	**647**	528			**169,272**	156,339
Maintenance, materials and supplies	**663,027**	780,945	**17,088**	20,735			**680,115**	801,680
Grants and contributions	**81,607**	57,627					**81,607**	57,627
Amortization	**341,444**	397,370	**10,467**	13,955			**351,911**	411,325
Interest on long-term debt	**19,584**	41,647					**19,584**	41,647
Other	**64,026**	1,719,055	**4,358**	51,367			**68,384**	1,770,422
Total expenses	**3,634,076**	5,243,686	**95,169**	137,969			**3,729,245**	5,381,655
Surplus (Deficit)	**$ 360,240**	$ 187,952	**(28,952)**	(62,832)			**$ 331,288**	$ 125,120

ROSSBURN MUNICIPALITY
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2025

	2025		
	Infrastructure Reserve	Sunset point	Sub Total
REVENUE			
Investment income	$ 1,618	16	$ 1,634
Other income	400		400
Total revenue	2,018	16	2,034
EXPENSES			
Investment charges			
Other expenses			
Total expenses			
NET REVENUES	2,018	16	2,034
TRANSFERS			
Debt repayment			
Transfers from operating fund	36,900		36,900
Transfers to operating fund	(20,000)		(20,000)
Transfers from utility fund			
Transfers to utility fund			
Acquisition of tangible capital assets			
CHANGE IN RESERVE FUND BALANCES	18,918	16	18,934
FUND SURPLUS, BEGINNING OF YEAR	106,514	597	107,111
FUND SURPLUS, END OF YEAR	$ 125,432	613	$ 126,045

ROSSBURN MUNICIPALITY
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2025

	2025						
	Building Reserve	Health Reserve	Road Reserve	Rossman Lake Resort Reserve	Marconi School Reserve	Pipeline Reserve	Sub Total
REVENUE							
Investment income	$ 472	504		1,176	4	132	$ **2,288**
Other income							
Total revenue	472	504		1,176	4	132	**2,288**
EXPENSES							
Investment charges							
Other expenses							
Total expenses							
NET REVENUES	472	504		1,176	4	132	**2,288**
TRANSFERS							
Debt repayment							
Transfers from operating fund	3,400		62,000				**65,400**
Transfers to operating fund							
Transfers from utility fund						10,549	**10,549**
Transfers to utility fund							
Acquisition of tangible capital assets							
CHANGE IN RESERVE FUND BALANCES	3,872	504	62,000	1,176	4	10,681	**78,237**
FUND SURPLUS, BEGINNING OF YEAR	27,680	82,720	3,750	71,689	317	52,710	**238,866**
FUND SURPLUS, END OF YEAR	$ 31,552	83,224	65,750	72,865	321	63,391	$ **317,103**

ROSSBURN MUNICIPALITY
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2025

	2025				
	Gas Tax Reserve	Handivan Reserve	Agri-Rec Reserve	Equipment Replacement Reserve - Ward 1	Sub Total
REVENUE					
Investment income	6,187		398	7,778	$ **14,363**
Other income					
Total revenue	6,187		398	7,778	**14,363**
EXPENSES					
Investment charges					
Other expenses					
Total expenses					
NET REVENUES	6,187		398	7,778	**14,363**
TRANSFERS					
Debt repayment					
Transfers from operating fund	56,361			82,400	**138,761**
Transfers to operating fund					
Transfers from utility fund					
Transfers to utility fund					
Acquisition of tangible capital assets				(193,421)	**(193,421)**
CHANGE IN RESERVE FUND BALANCES	62,548		398	(103,243)	**(40,297)**
FUND SURPLUS, BEGINNING OF YEAR	283,996	22	30,351	404,081	**718,450**
FUND SURPLUS, END OF YEAR	346,544	22	30,749	300,838	$ **678,153**

ROSSBURN MUNICIPALITY
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2025

	2025						2024
	General Reserve - Ward 2	Fire Reserve - Ward 2	Recreation Reserve - Ward 2	Town Utility Reserve	Skating Rink Reserve	Total	Total
REVENUE							
Investment income	$ 13,510	2,004	8	3,605		**$ 37,412**	$ 54,944
Other income						**400**	100
Total revenue	13,510	2,004	8	3,605		**37,812**	55,044
EXPENSES							
Investment charges							
Other expenses							
Total expenses							
NET REVENUES	13,510	2,004	8	3,605		**37,812**	55,044
TRANSFERS							
Debt repayment							
Transfers from operating fund		10,000	5,000			**256,061**	120,086
Transfers to operating fund		(1,589)	(3,000)			**(24,589)**	(34,596)
Transfers from utility fund				10,612		**21,161**	10,771
Transfers to utility fund				(20,042)		**(20,042)**	
Acquisition of tangible capital assets						**(193,421)**	
CHANGE IN RESERVE FUND BALANCES	13,510	10,415	2,008	(5,825)		**76,982**	151,305
FUND SURPLUS, BEGINNING OF YEAR	702,980	112,426	10,231	175,254	5,809	**2,071,127**	1,919,822
FUND SURPLUS, END OF YEAR	$ 716,490	122,841	12,239	169,429	5,809	**$ 2,148,109**	$ 2,071,127

ROSSBURN MUNICIPALITY
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS -
For the year ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
REVENUE	$	$	$
EXPENSES			
General government			
Transportation services			
Environmental health			
Regional planning and development			
Recreation and cultural services			
TRANSFERS			
CHANGES IN L.U.D. BALANCES	$		
UNEXPENDED BALANCE, BEGINNING OF YEAR			
UNEXPENDED BALANCE, END OF YEAR		$	$

ROSSBURN MUNICIPALITY
SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2025

	2025 Rossburn	2025 Sunset Point	2025 Total	2024 Total
FINANCIAL ASSETS				
Cash	$ 94,950	$ 9,714	$ 104,664	$ 141,967
Amounts receivable (Note 4)	131,162	713	131,875	177,705
	226,112	10,427	236,539	319,672
LIABILITIES				
Accounts payable and accrued liabilities	56,103	7,717	63,820	41,455
Long-term debt (Note 8)	384,327		384,327	405,130
Due to other funds	101,332	94,012	195,344	397,349
	541,762	101,729	643,491	843,934
NET DEBT	(315,650)	(91,302)	(406,952)	(524,262)
NON-FINANCIAL ASSETS				
Tangible capital assets (Schedule 1)	439,128	348,752	787,880	804,095
Inventories	23,429	1,349	24,778	24,778
Prepaid expenses	965	131	1,096	6,029
	463,522	350,232	813,754	834,902
FUND SURPLUS	$ 147,872	$ 258,930	$ 406,802	$ 310,640
REMEASUREMENT GAINS (LOSSES)				
Accumulated gains (losses), beginning of year	$	$	$	$
Unrealized gains (losses)				
Amounts reclassified to statement of operations				
Accumulated gains (losses), end of year	$	$	$	$
FUND SURPLUS CONSISTS OF:				
Accumulated operating surplus	$ 147,872	$ 258,930	$ 406,802	$ 310,640
Accumulated remeasurement gains (losses)				
	$ 147,872	$ 258,930	$ 406,802	$ 310,640

ROSSBURN MUNICIPALITY
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Rossburn
For the year ended December 31, 2025

	Budget	2025	2024
REVENUE			
Water			
Water fees	$ 325,489	$ 355,521	$ 345,418
Sewer			
Sewer fees	60,000	8,279	10,816
Other			
Hydrant rentals	4,800	4,800	4,800
Connection charges	70	(285)	
Penalties	3,500	9,089	5,308
Investment income	4,000	7,443	5,364
Pipeline rate rider fees		46,287	45,464
Other income	32,142	29,464	30,749
Sub-Total - Other	44,512	96,798	91,685
Total revenue	$ 430,001	$ 460,598	$ 447,919

ROSSBURN MUNICIPALITY
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Rossburn
For the year ended December 31, 2025

	Budget	2025	2024
EXPENSES			
General			
Administration	$ 31,850	$ 20,966	$ 27,407
Sub-Total - General	31,850	20,966	27,407
Water General			
Purification and treatment	13,100	22,011	18,044
Transmission and distribution	29,845	8,083	8,257
Water purchases	189,000	179,513	165,957
Connection costs	4,250	7,368	3,341
Sub-Total - Water General	236,195	216,975	195,599
Water Amortization, Accretion & Interest			
Amortization		31,383	31,383
Interest on long-term debt		18,159	20,115
Sub-Total - Water Amortization, Accretion & Interest		49,542	51,498
Sewer General			
Collection system costs	9,000	9,870	18,194
Treatment and disposal cost	33,845	16,406	19,596
Lift station costs	15,500	21,704	8,556
Sub-Total - Sewer General	58,345	47,980	46,346
Sewer Amortization, Accretion & Interest			
Amortization		5,471	4,055
Sub-Total - Sewer Amortization, Accretion & Interest		5,471	4,055
Total expenses	326,390	340,934	324,905
NET OPERATING SURPLUS	$ 103,611	119,664	123,014
TRANSFERS			
Transfers to reserve funds		(1,119)	(10,771)
CHANGE IN UTILITY FUND BALANCE		118,545	112,243
FUND SURPLUS (DEFICIT), BEGINNING OF YEAR		29,327	(82,916)
FUND SURPLUS, END OF YEAR		$ 147,872	$ 29,327

ROSSBURN MUNICIPALITY
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Sunset Point
For the year ended December 31, 2025

	Budget	2025	2024
REVENUE			
Water			
Water fees	$ 27,400	$ 27,474	$ 27,474
Government transfers	150,000		
Other			
Investment income		666	84
Other income	18,415	6,381	6,381
Total revenue	195,815	34,521	33,939
EXPENSES			
General			
Administration		1,572	1,733
Sub-Total - General		1,572	1,733
Water General			
Purification and treatment	22,499	38,676	20,526
Sub-Total - Water General	22,499	38,676	20,526
Water Amortization, Accretion & Interest			
Amortization		15,231	15,231
Interest on long-term debt		1,425	
Sub-Total - Water Amortization, Accretion & Interest		16,656	15,231
Sewer Amortization, Accretion & Interest			
Total expenses	22,499	56,904	37,490
NET OPERATING SURPLUS (DEFICIT)	$ 173,316	(22,383)	(3,551)
TRANSFERS			
CHANGE IN UTILITY FUND BALANCE		(22,383)	(3,551)
FUND SURPLUS, BEGINNING OF YEAR		281,313	284,864
FUND SURPLUS, END OF YEAR		$ 258,930	$ 281,313

ROSSBURN MUNICIPALITY
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2025

	Financial Plan General	Financial Plan Utility	Amortization & Accretion	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	$ 2,682,566						$ 2,682,566
Grants in lieu of taxation	40,388						40,388
User fees	233,133					28,202	261,335
Grants - Province of Manitoba	359,619					28,000	387,619
Grants - other	44,446					15,000	59,446
Permits, licences and fines	8,050						8,050
Investment income	28,300					2,499	30,799
Other revenue	110,450					3,200	113,650
Water and sewer		625,816					625,816
Transfers from accumulated surplus	40,000	15,000			(55,000)		
Transfers from reserves	89,140				(89,140)		
Total revenue	3,636,092	640,816			(144,140)	76,901	4,209,669
EXPENSES							
General government services	770,661		8,005		396		779,062
Protective services	122,441		18,136				140,577
Transportation services	1,710,297		199,176				1,909,473
Environmental health services	107,430		10,426				117,856
Public health and welfare services	73,600		7,104			72,004	152,708
Regional planning and development	18,100						18,100
Resource cons and industrial dev	42,330		5,700			21,188	69,218
Recreation and cultural services	428,203		40,812				469,015
Water and sewer services		348,889	52,085	19,584			420,558
Fiscal services:							
Transfer to capital	80,200	160,000	(240,200)				
Debt charges		47,442		(47,442)			
Transfers to accumulated surplus	60,627	37,523			(98,150)		
Transfers to reserves	221,807	46,962			(268,769)		
Allowance for tax assets	396				(396)		
Total expenses	3,636,092	640,816	101,244	(27,858)	(366,919)	93,192	4,076,567
Surplus (Deficit)	$		(101,244)	27,858	222,779	(16,291)	$ 133,102

ROSSBURN MUNICIPALITY
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
For the year ended December 31, 2025

	2025	2024
Balance, beginning of year	**$ 311,289**	$ 349,555
Add:		
Tax levy (Schedule 12)	**3,460,713**	3,079,419
Taxes added	**15,667**	4,917
Penalties or interest	**46,110**	38,841
Other accounts added	**50,807**	1,193
Tax adjustments (Tax Sale)	**21,281**	28,497
Sub-total	**3,594,578**	3,152,867
Deduct:		
Cash collections - current	**2,877,928**	2,435,020
Cash collections - arrears	**251,957**	290,993
Writeoffs	**4,545**	16,569
Title value of tax titles acquired		32,001
H.A.T.C. - cash advance	**140,585**	66,487
Manitoba school tax rebate	**231,935**	350,063
Sub-total	**3,506,950**	3,191,133
Balance, end of year	**$ 398,917**	$ 311,289

ROSSBURN MUNICIPALITY
SCHEDULE 12 - ANALYSIS OF TAX LEVY
For the year ended December 31, 2025

	2025			2024
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
L.I.D.			$	$ 9,598
Sub-Total - Debt charges				9,598
Deficit recovery	98,098,500	0.990	97,118	95,870
Reserves:				
Infrastructure	98,098,500	0.372	36,493	12,357
Fire	98,098,500	0.101	9,908	9,952
Building	98,098,500	0.035	3,433	3,981
Equipment	98,098,500	0.831	81,520	19,821
Roads - Urban	98,098,500	0.303	29,724	3,681
Agri Rec				664
Sub-Total - Reserves			161,078	50,456
General Municipal - At Large	98,098,500	12.296	1,206,219	1,011,775
Special levies:				
Rec/Culture			209,666	203,558
Misc Rural			600,271	582,039
Fire			60,409	58,597
Waste/Recycle			76,134	73,916
Misc Urban			254,807	247,385
Sub-Total - Special levies			1,201,287	1,165,495
Business tax			668	729
Total municipal taxes (Schedule 2)			2,666,370	2,333,923
Education support levy	3,134,760	7.117	22,309	24,359
Special levy:				
Park West	97,319,240	7.933	772,034	721,137
Sub-Total - Special levies			772,034	721,137
Total education taxes			794,343	745,496
Total tax levy (Schedule 11)			$ 3,460,713	$ 3,079,419

ROSSBURN MUNICIPALITY
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the year ended December 31, 2025

	2025	2024
General government services:		
Legislative	**$ 115,404**	$ 108,182
General administrative	**566,962**	646,375
Other	**93,605**	11,321
	775,971	765,878
Protective services:		
Fire	**75,935**	63,727
Emergency measures	**7,294**	7,148
Other	**39,755**	50,934
	122,984	121,809
Transportation services:		
Road transport		
Administration and engineering	**449,041**	408,046
Road and street maintenance	**1,231,491**	1,268,922
Bridge maintenance	**750**	
Sidewalk and boulevard maintenance	**8,762**	884
Street lighting	**17,379**	19,802
Other	**758**	25,075
Disaster financial assistance		1,622,783
	1,708,181	3,345,512
Environmental health services:		
Waste collection and disposal	**119,367**	87,628
Recycling	**32,572**	24,408
	151,939	112,036
Public health and welfare services:		
Public health	**6,000**	7,000
Medical care	**11,435**	11,104
Social assistance	**3,550**	3,550
	20,985	21,654
Regional planning and development:		
Planning and zoning	**183**	11,587
Beautification and land rehabilitation	**10,342**	18,778
Urban area weed control	**264**	556
Other	**6,852**	1,560
	17,641	32,481
Sub-total	**$ 2,797,701**	$ 4,399,370

ROSSBURN MUNICIPALITY
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES - continued
For the year ended December 31, 2025

	2025	2024
Sub-total (carry forward)	**$ 2,797,701**	$ 4,399,370
Resource conservation and industrial development:		
Rural area weed control	**6,005**	2,000
Veterinary services	**4,955**	4,796
Water resources and conservation	**33,421**	32,729
Tourism	**8,262**	10,168
Other	**15,128**	15,137
	67,771	64,830
Recreation and cultural services:		
Administration	**67,424**	145,025
Community centres and halls	**74,383**	50,141
Swimming pools and beaches	**2,069**	803
Loss on disposal of tangible capital assets		11,177
Skating and curling rinks	**38,881**	38,444
Parks and playgrounds	**111,816**	108,033
Other recreational facilities	**834**	932
Museums	**2,970**	2,057
Libraries	**25,261**	18,043
Other cultural facilities	**60,714**	60,436
Golf course	**414**	
	384,766	435,091
Total expenses	**$ 3,250,238**	$ 4,899,291

ROSSBURN MUNICIPALITY
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2025

	2025 General	2025 Utility	2025 Total	2024 Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	$ (50,567)	69,051	$ 18,484	$ 217,017
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	256,061	21,161	277,222	130,857
Eliminate revenue - transfers from reserves	(218,010)	(20,042)	(238,052)	(34,596)
Increase revenue - reserve funds interest	37,812		37,812	55,044
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	(14,951)		(14,951)	(44,832)
Eliminate revenue - transfer to (from) nominal surplus	58,150	22,523	80,673	(26,888)
Increase expense - amortization of tangible capital assets	(289,359)	(52,085)	(341,444)	(397,370)
Decrease expense - principal portion of debenture debt		20,803	20,803	29,602
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	9,247		9,247	(11,177)
Eliminate revenue - proceeds from obligations under capital lease	(402,008)		(402,008)	(710,879)
Eliminate revenue - proceeds on sale of tangible capital assets	(201,000)		(201,000)	
Eliminate expense - acquisitions of tangible capital assets	1,048,632	35,870	1,084,502	918,342
NET SURPLUS PER STATEMENT OF OPERATIONS	$ 234,007	97,281	$ 331,288	$ 125,120