TOWN OF ALTONA

Consolidated Financial Statements
For the Year Ended December 31, 2025

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Altona 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 Canadian Institute of Chartered Accountants.

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.

Exchange Chartered Professional Accountants Inc. as the Town'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 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 Town in accordance with Canadian public sector accounting standards.

Dan Gagne
Chief Administrative Officer

CHARTERED PROFESSIONAL ACCOUNTANTS
BUSINESS & TECHNOLOGY CONSULTANTS
EXCHANGE GROUP

INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the
TOWN OF ALTONA

Opinion

We have audited the accompanying consolidated financial statements of the Town of Altona, which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2025, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Altona as at December 31, 2025, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2025 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 Financial Statements section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of the 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.

Other Matter

In common with the consolidated financial statements of other Municipalities in Manitoba, *Schedule 14 Reconciliation of Annual Surplus (Deficit)* has been included as required by the Province of Manitoba. This schedule is unaudited as no accounting standard is defined in the Municipal Act.

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

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

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

(continues)

- 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 Town'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 Town'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 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 the Town to cease to continue as a going concern.

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

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, 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.

Exchange

Chartered Professional Accountants Inc.
Winnipeg, Manitoba
July 14, 2026

TOWN OF ALTONA
Consolidated Financial Statements
For the Year Ended December 31, 2025

TOWN OF ALTONA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	**$ 9,783,972**	$ 10,445,418
Amounts receivable (Note 4)	**1,578,736**	1,466,622
Portfolio investments (Note 5)	**2,000,000**	-
Other inventories for sale (Note 6)	**499**	433
Other assets	**889**	832
	$ 13,364,096	$ 11,913,305
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	**$ 2,048,115**	$ 1,970,195
Asset retirement obligations (Note 8)	**4,619,644**	4,483,698
Long-term debt (Note 9)	**8,172,416**	8,650,720
	14,840,175	15,104,613
NET FINANCIAL ASSETS (DEBT)	**$ (1,476,079)**	$ (3,191,308)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 49,372,302**	$ 50,100,908
Inventories (Note 6)	**1,481,472**	1,455,522
Prepaid expenses	**85,646**	79,590
	50,939,420	51,636,020
ACCUMULATED SURPLUS (Note 14)	**$ 49,463,341**	$ 48,444,712

COMMITMENTS (NOTE 10)

Approved on behalf of Council:

Mayor

Councillor

TOWN OF ALTONA

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
REVENUE			
Property taxes	$ 5,965,959	$ 6,233,624	$ 5,847,055
Grants in lieu of taxation	75,078	75,078	70,678
User fees	1,628,544	1,587,018	1,597,004
Permits, licences and fines	132,045	133,546	109,514
Investment income	306,950	380,011	554,435
Other revenue	70,558	733,493	462,099
Water and sewer	4,129,417	4,152,607	4,023,691
Grants - Province of Manitoba	1,302,704	2,304,791	1,612,762
Grants - other	577,588	571,546	521,426
Total revenue (Schedules 2, 4 and 5)	14,188,843	16,171,714	14,798,664
EXPENSES			
General government services	1,572,898	1,596,499	1,469,265
Protective services	2,090,035	2,093,622	2,041,180
Transportation services	2,213,244	2,103,667	1,854,090
Environmental health services	1,169,925	1,156,672	1,127,700
Public health and welfare services	146,158	131,292	115,561
Regional planning and development	460,537	199,730	146,323
Resource conservation and industrial development	521,774	495,631	464,615
Recreation and cultural services	2,582,674	2,646,317	2,724,388
Water and sewer services	4,522,187	4,729,655	4,165,490
Total expenses (Schedules 3, 4 and 5)	15,279,432	15,153,085	14,108,612
ANNUAL SURPLUS	$ (1,090,589)	1,018,629	690,052
ACCUMULATED SURPLUS, BEGINNING OF YEAR		48,444,712	47,754,660
ACCUMULATED SURPLUS, END OF YEAR		$ 49,463,341	$ 48,444,712

TOWN OF ALTONA

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
ANNUAL SURPLUS	**$ (1,090,589)**	**$ 1,018,629**	$ 690,052
Acquisition of tangible capital assets	**(2,435,100)**	**(2,168,645)**	(2,660,042)
Amortization of tangible capital assets	**2,784,693**	**2,784,693**	2,594,329
Loss (Gain) on sale of tangible capital assets	-	**(118,209)**	11,272
Proceeds on sale of tangible capital assets	-	**230,767**	64,977
Decrease (increase) in inventories	-	**(25,950)**	13,925
Decrease (increase) in prepaid expense	-	**(6,056)**	(3,421)
	349,593	**696,600**	21,040
CHANGE IN NET FINANCIAL ASSETS	**$ (740,996)**	**1,715,229**	711,092
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR		**(3,191,308)**	(3,902,400)
NET FINANCIAL ASSETS, END OF YEAR		**$ (1,476,079)**	$ (3,191,308)

TOWN OF ALTONA
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	**$ 1,018,629**	$ 690,052
Changes in non-cash items:		
Amounts receivable	**(112,114)**	3,558,188
Other assets	**(57)**	(57)
Inventories	**(26,016)**	13,957
Prepaids	**(6,056)**	(3,421)
Accounts payable and accrued liabilities	**77,920**	(1,144,351)
Asset retirement obligations	**135,946**	168,716
Loss (Gain) on sale of tangible capital asset	**(118,209)**	(11,272)
Amortization	**2,784,693**	2,594,329
Cash provided by operating transactions	**3,754,736**	5,866,141
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**230,767**	87,521
Cash used to acquire tangible capital assets	**(2,168,645)**	(2,660,042)
Cash applied to capital transactions	**(1,937,878)**	(2,572,521)
INVESTING TRANSACTIONS		
Sale (purchase) of real estate properties	**-**	-
Purchase of assets for lease	**-**	-
Loans and advances repaid	**-**	-
Loans and advances issued	**-**	-
Proceeds on redemption (purchase) of portfolio investments	**(2,000,000)**	1,226,406
Repayments under financing agreements	**-**	-
Cash applied to investing transactions	**(2,000,000)**	1,226,406
FINANCING TRANSACTIONS		
Proceeds of long-term debt	**-**	147,528
Debt repayment	**(478,304)**	(574,649)
Cash provided by (applied to) financing transactions	**(478,304)**	(427,121)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	**(661,446)**	4,092,905
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	**10,445,418**	6,352,514
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	**$ 9,783,972**	$ 10,445,418

1. Status of the Town of Altona

The incorporated Town of Altona ("the Town") is a municipal government that was created on October 24, 1956 pursuant to the Manitoba Municipal Act. It was first incorporated as a Village on December 31, 1945. The Town provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library and other general government operations. The Town owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in public health, economic development and recreation.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants 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 Town. 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 Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated.

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

Altona & District Health Care Centre Inc. (47.40%) (2024 - 47.40%)
Pembina Valley Water Cooperative Inc. (5.56%) (2024 - 5.56%)
South Central Regional Library (12.94%) (2024 - 12.94%)
Rhineland, Plum Coulee, Gretna, Altona Planning District (41.50%) (2024 - 41.50%)
Supporting Entrepreneurs through Economic Development (50%) (2024 - 50%)

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

Trust funds and their related operations administered by the Town are not consolidated in these financial statements. There were no trust funds administered by the Town as of December 31, 2025.

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) Cash and Temporary Investments

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

d) Investments

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

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

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

f) 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.

g) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

i. an environmental standard exists;
ii. contamination exceeds the environmental standard;
iii. The municipality:
  - is directly responsible; or
  - accepts responsibility; and
iv. a reasonable estimate of the amount can be made.

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 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.

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 Town does not capitalize interest charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and leasehold improvements	
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

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 Town, forests, water, and other natural resources are not recognized as tangible capital assets.

j) Assets for lease

The Town recognizes income from financing agreements equal to the interest that it pays on the mortgage assumed when the assets for lease were constructed.

k) 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.

l) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

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

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

n) Post-employment Benefits and Compensated Absences

Vacation and long-term service liabilities are accrued to all employees as entitlement to these payments is earned in accordance with the Town's policy.

o) 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 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 1000 (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.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2025	2024
Cash	**$ 9,783,972**	$ 10,445,418

The Town has designated $9,245,487 (2024 - $8,141,918) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Town has arranged a $1,500,000 line of credit with their financial institution to address any potential shortfall in cash resources as compared to reserves for debt principal repayment and tangible capital acquisitions. The line of credit bears interest at 3.95%, and the full amount of the $1,500,000 was available for use as at December 31, 2025 (2024 - $1,500,000).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2025	2024
Taxes on roll (Schedule 11)	**$ 350,382**	$ 248,600
Government grants	**226,229**	184,426
Utility customers	**570,367**	729,827
Organizations and individuals	**425,597**	281,090
Other governments	**63,167**	54,793
	1,635,742	1,498,736
Less allowance for doubtful accounts	**(57,006)**	(32,114)
	$ 1,578,736	$ 1,466,622

5. Portfolio Investments

	2025	2024
Guaranteed investment certificates	2,000,000	-
	$ 2,000,000	$ -

Guaranteed investment certificates have a rate of 3.75% per annum and mature in November 2026. These investments have a market value approximating cost.

6. Inventories

Other inventories for sale:

	2025	2024
Food and beverages	$ 499	$ 433
Land inventories for sale:		
Land	$ 1,242,139	$ 1,255,941
Inventories for use:		
Utility chemicals and other materials	$ 165,299	$ 128,640
Fuel	1,933	3,723
Public works materials	50,291	49,638
Sand	13,611	11,234
	$ 231,134	$ 193,235
Consolidated Entities:		
Inventory held by Pembina Valley Water Cooperative Inc.	$ 8,199	$ 6,346
	$ 1,481,472	$ 1,455,522

7. Accounts Payable and Accrued Liabilities

	2025	2024
Accounts payable	$ 1,695,961	$ 1,612,135
Accrued expenses	21,735	8,205
Vacation and banked time payable	161,744	167,228
Government remittances payable	83,051	78,070
Refundable deposits	3,514	2,702
School levies	56,763	34,023
Other governments	25,347	67,832
	$ 2,048,115	$ 1,970,195

8. Asset Retirement Obligations

	2025	2024
Balance, beginning of year	$ 4,483,698	$ 4,314,982
Liabilities settled during the year	(60,174)	-
Accretion expense	196,120	168,716
Change in assumptions	-	-
Estimated total liability	$ 4,619,644	$ 4,483,698

a) Landfill Site
Legislation requires the Town 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 Town operates a Class 2 landfill site and has a cost-sharing agreement in place with the Municipality of Rhineland. The estimated remaining life of the landfill is 16 years.

The estimated total liability of $1,053,869 (2024 - $1,014,213) is based on the sum of discounted future cash flows using a discount rate of 3.91%.

The asset retirement tangible capital asset has a cost of $939,322 and accumulated amortization of $165,574 as at Dec. 31, 2025 (2024 - $110,319).

b) Lagoon
The Town is required to appropriately close wastewater lagoon sites at the end of their operating life. The Town operates a wastewater lagoon, with an estimated remaining life of 20 years.

The estimated total liability of $3,565,776 (2024 - $3,431,600) is based on the sum of discounted future cash flows using a discount rate of 3.91%.

The asset retirement tangible capital asset has a cost of $3,178,205 and accumulated amortization of $453,511 as at Dec. 31, 2025 (2024 - $302,168).

9. Long Term Debt

	2025	2024
General Authority:		
Debenture, interest at 2.00%, payable at $158,992 annually including interest, matured December 31, 2025	-	155,874
Debenture, interest at 3.570%, payable at $113,292 annually including interest, maturing December 31, 2041	1,362,991	1,425,397
Debenture, interest at 5.750%, payable at $307,524 annually including interest, maturing December 31, 2043	3,393,171	3,499,475
	4,756,162	5,080,746
Less: Internally funded debentures	-	(155,874)
	$ 4,756,162	$ 4,924,872
Utility Funds:		
Debenture, interest at 3.940%, payable at $102,468 annually including interest, maturing December 31, 2035	833,594	900,579
Debenture, interest at 3.800%, payable at $79,513 annually including interest, maturing December 31, 2036	704,146	754,970
Debenture, interest at 3.860%, payable at $115,782 annually including interest, maturing December 31, 2032	698,538	784,055
	$ 2,236,278	$ 2,439,604

Consolidated Government Partnerships:

Pembina Valley Water Cooperative Inc.

CIBC demand facility bearing interest at 2.49 % per annum, repayable in monthly payments consisting of principal of $79,498 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-Op receives/pays the difference between the floating rate and the fixed rate of 2.49% less a stamping fee of 0.81%. The loan matures on July 29, 2033, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-Op. (5.56% of $8,136,840)	**$ 452,047**	$ 505,544
CIBC demand facility bearing interest at 4.09 % per annum, repayable in monthly payments consisting of principal of $15,280 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-Op receives/pays the difference between the floating rate and the fixed rate of 4.09% less a stamping fee of 0.30%. The loan matures on May 31, 2028, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-Op. (5.56% of $1,741,520)	**$ 96,751**	106,938
CIBC demand facility bearing interest at 4.09 % per annum, repayable in monthly payments consisting of principal of $8,077 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-Op receives/pays the difference between the floating rate and the fixed rate of 4.09% less a stamping fee of 0.30%. The loan matures on May 31, 2028, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-Op. (5.56% of $759,261)	**$ 42,181**	47,566
CIBC demand facility bearing interest at 2.45 % per annum, repayable in monthly payments consisting of principal of$12,500 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-Op receives/pays the difference between the floating rate and the fixed rate of 2.49% less a stamping fee of 0.30%. The loan matures on November 29, 2041, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-Op. (5.56% of $2,387,500)	**$ 132,639**	140,972

CIBC demand facility bearing interest at 4.09 % per annum, repayable in monthly payments consisting of principal of $28,547 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-Op receives/pays the difference between the floating rate and the fixed rate of 4.09% less a stamping fee of 0.30%. The loan matures on May 31, 2028, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-Op. (5.56% of $5,794,992)	**$ 321,944**	340,975
CIBC demand facility bearing interest at 3.36 % per annum, repayable in monthly payments consisting of principal of $14,752 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-Op receives/pays the difference between the floating rate and the fixed rate of 4.09%. The loan matures on July 21, 2034, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-Op. (5.56% of $2,419,457)	**$ 134,414**	144,249
	$ 1,179,976	$ 1,286,244
	$ 8,172,416	$ 8,650,720

Principal payments required in each of the next five years are as follows:

2026	$ 495,863
2027	514,192
2028	533,327
2029	553,304
2030	574,164

10. Commitments

a) Pembina Valley Water Cooperative Inc.

Pembina Valley Water Cooperative Inc. has entered into contracts with 14 municipalities beginning January 1, 2025 and ending December 31, 2034. The contracts are volume based, identifying the amount of water that the Co-Op must deliver to the municipalities in any given year.

In 2025, the Town entered into an agreement to fund five years of annual capital contributions of $312,083, ending in 2029.

b) Altona & District Health Care Centre Inc.

The Town has entered into an agreement with the Rural Municipalities of Rhineland and Montcalm to jointly fund any annual operating deficit that the Altona & District Health Care Centre Inc. may incur.

c) Rhineland, Plum Coulee, Gretna, Altona Planning District (RPGA)

The Town has entered into an agreement with the Rural Municipality of Rhineland to jointly fund any annual operating deficit incurred by RPGA.

d) Altona Mall Development Ltd.

The Town has entered into an agreement with the Altona Mall Development Ltd. to lease space for the library. The lease term began on April 1, 2022 and expires on March 31, 2037. Under the agreement, the monthly rent is $2,057 per month until March 31, 2024 after which it will increase according to the Manitoba Consumer Price Index.

e) Kiddie Sunshine Centre

The Town has committed to providing a $100,000 grant annually for 10 years starting in 2023 to provide funding for their new building project.

11. Retirement Benefits

The majority of the employees of the municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS 3250.

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. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to $242,723 (2024 - $218,153) 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, 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, but solvency results are still monitored annually.

12. Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town 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.

13. Budget

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

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

14. Accumulated Surplus

	2025	2024
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus (deficit)	**$ 490,002**	$ 374,678
Utility operating fund(s) - Nominal surplus	**(1,995,418)**	(1,888,067)
TCA net of related borrowings	**38,830,364**	39,229,731
Reserve funds	**9,245,487**	8,141,918
Accumulated surplus of municipality unconsolidated	**46,570,435**	45,858,260
Accumulated surpluses of consolidated entities	**2,892,906**	2,586,452
Accumulated surplus per Consolidated Statement of Financial Position	**$ 49,463,341**	$ 48,444,712

15. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding $85,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2025:

a) Compensation paid to members of council amounted to $143,887 in aggregate.

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

Council Members:

	Compensation	Expenses	Total
Mayor - Harvey Shroeder	$ 28,780	$ 985	$ 29,765
Councillor - Cheryl Dueck	18,875	2,016	20,891
Councillor - Craig Smiley	18,505	351	18,856
Councillor - Donna Rosling-Walters	18,570	269	18,839
Councillor - Jordan Siemens	18,563	231	18,794
Councillor - Perry Batchelor	18,300	459	18,759
Councillor - Tammy Braun	17,787	196	17,983
	$ 139,380	$ 4,507	$ 143,887

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

Name	Position	Amount
Badge #893	*Police Officer*	$ 153,461
Daniel Gagne	*Chief Administrative Officer*	148,302
Badge #221	*Police Officer*	131,799
Badge #209	*Police Officer*	130,204
Badge #219	*Police Officer*	126,234
Badge #226	*Police Officer*	121,022
Terence Fehr	*Director of Finance*	118,675
Badge #223	*Police Officer*	116,854
Clint Derksen	*Public Works*	110,573
Greg Zimmerman	*Fire Chief*	99,042

16. Segmented Information

The Town of Altona 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.

17. Government Partnerships

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

	2025	2024
Financial Position		
Financial Assets	$ **1,412,999**	$ 1,049,524
Liabilities	**(2,083,650)**	(1,981,814)
Net financial assets (liabilities)	$ **(670,651)**	$ (932,290)
Non-financial assets	**3,563,557**	3,518,742
Accumulated surplus	$ **2,892,906**	$ 2,586,452
Result of Operations		
Revenues	$ **1,329,628**	$ 1,047,563
Expenses	**1,023,174**	1,008,592
Annual surplus	$ **306,454**	$ 38,971
Elimination of revenues/expenses upon consolidation	**(214,738)**	(183,666)
Consolidated annual surplus (deficit)	$ **91,716**	$ (144,695)

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 capital assets and government transfers do not meet the recommendations of PSAB.

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Altona	$ 4,039,547	$ -	$ 161,232	$ 3,878,315

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Altona	$ 963,839	$ -	$ 45,970	$ 917,869

19. Comparative Figures

Some of the comparative figures have been restated to correspond with current year presentation.

TOWN OF ALTONA
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2025

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2025	2024
Cost										
Opening costs	$ 11,333,173	$ 11,843,039	$ 6,126,789	$ 505,187	$ 5,058,561	$ 21,965,902	$ 36,360,920	$ 73,793	$ 93,267,364	$ 90,724,877
Additions during the year	437,590	140,963	1,049,698	25,414	6,391	388,819	45,436	138,644	2,232,955	5,683,889
Disposals and write downs	-	-	(283,245)	-	(64,310)	-	-	-	(347,555)	(3,141,402)
Closing costs	11,770,763	11,984,002	6,893,242	530,601	5,000,642	22,354,721	36,406,356	212,437	95,152,764	93,267,364
Accumulated Amortization										
Opening accum'd amortization	3,208,354	7,001,240	3,827,935	426,826	-	16,314,210	12,387,891	-	43,166,456	40,613,433
Amortization	536,246	318,168	372,944	27,656	-	446,545	1,083,134	-	2,784,693	2,594,329
Disposals and write downs	-		(170,687)	-	-	-	-	-	(170,687)	(41,306)
Closing accum'd amortization	3,744,600	7,319,408	4,030,192	454,482	-	16,760,755	13,471,025	-	45,780,462	43,166,456
Net Book Value of Tangible Capital Assets	$ 8,026,163	$ 4,664,594	$ 2,863,050	$ 76,119	$ 5,000,642	$ 5,593,966	$ 22,935,331	$ 212,437	$ 49,372,302	$ 50,100,908

TOWN OF ALTONA

SCHEDULE 2

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	$ 5,951,231	$ 5,609,225
Taxes added	220,124	204,126
Penalties and interest	62,269	33,704
	6,233,624	5,847,055
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	-	-
Provincial government enterprises	75,078	70,678
Other local governments	-	-
Non-government organizations	-	-
	75,078	70,678
User fees		
Sales of service	861,923	840,652
Sales of goods	52,450	27,600
Rentals	62,776	60,521
Facility use fees	609,869	668,231
	1,587,018	1,597,004
Permits, licences and fines		
Permits	109,745	85,744
Licences	17,095	19,230
Fines	6,706	4,540
	133,546	109,514
Investment income:		
Cash and temporary investments	380,011	554,435
Assets for lease	-	-
Other (specify):	-	-
	380,011	554,435
Other revenue:		
Gain (loss) on sale of real estate held for sale	131,098	234,397
Gain (loss) on disposal of tangible capital assets	118,209	(11,272)
Contributed assets	-	-
Gain on sale of assets for lease	-	-
Miscellaneous (specify):		
Donations	284,931	198,326
Other	199,255	40,648
	733,493	462,099
Water and sewer		
Municipal utility (Schedule 9)	3,463,990	3,538,995
Consolidated water co-operatives	688,617	484,696
	4,152,607	4,023,691
Grants - Province of Manitoba		
Municipal operating grants	611,542	567,502
Other unconditional grants	760,298	749,274
Conditional grants	932,951	295,986
	2,304,791	1,612,762
Grants - other		
Federal government - gas tax funding	254,292	244,120
Federal government - other	-	-
Other municipal governments	317,254	277,306
	571,546	521,426
Total revenue	$ 16,171,714	$ 14,798,664

TOWN OF ALTONA
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2025

SCHEDULE 3

	2025 Actual	2024 Actual
General government services:		
Legislative	$ 193,726	$ 185,354
General administrative	1,056,526	956,981
Other	346,247	326,930
	1,596,499	1,469,265
Protective services:		
Police	1,510,197	1,481,997
Fire	408,464	399,290
Emergency measures	45,143	42,790
Other	129,818	117,103
	2,093,622	2,041,180
Transportation services:		
Road transport		
Administration and engineering	105,637	92,765
Road and street maintenance	1,677,318	1,468,505
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	150,268	160,608
Street lighting	89,966	95,733
Other	-	-
Brush and grass cutting	-	-
Air transport	66,714	14,810
Other	13,764	21,669
	2,103,667	1,854,090
Environmental health services:		
Waste collection and disposal	626,771	607,522
Recycling	212,993	211,165
Other	316,908	309,013
	1,156,672	1,127,700
Public health and welfare services:		
Public health	39,196	10,930
Medical care	84,322	96,857
Social assistance	7,774	7,774
Handi-Van	-	-
	131,292	115,561
Regional planning and development		
Planning and zoning	199,730	146,323
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	199,730	146,323
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	215,583	219,638
Industrial development	280,048	244,977
Tourism	-	-
Other	-	-
	495,631	464,615
Sub-totals forward	$ 7,777,113	$ 7,218,734

TOWN OF ALTONA

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Sub-totals forward	**$ 7,777,113**	$ 7,218,734
Recreation and cultural services:		
Administration	**1,159,679**	1,191,363
Community centers and halls	**-**	-
Swimming pools and beaches	**278,902**	284,247
Golf courses	**-**	-
Skating and curling rinks	**554,621**	588,215
Parks and playgrounds	**306,696**	323,387
Other recreational facilities	**-**	-
Museums	**-**	-
Libraries	**346,419**	337,176
Other cultural facilities	**-**	-
	2,646,317	2,724,388
Water and sewer services (Schedule 9)		
Municipal utility (Schedule 9)	**4,227,900**	3,690,341
Consolidated water co-operatives	**501,755**	475,149
	4,729,655	4,165,490
Total expenses	**$ 15,153,085**	$ 14,108,612

TOWN OF ALTONA

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	$6,233,624	$5,847,055	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grants in lieu of taxation	75,078	70,678	-	-	-	-	-	-	-	-
User fees	263,705	224,922	229,094	452,270	13,424	25,029	435,210	405,769	29,648	30,800
Grants - other	368,077	336,844	-	-	-	-	-	-	23,017	16,721
Permits, licences and fines	17,095	19,230	6,706	4,540	-	-	-	-	-	-
Investment income	373,825	544,189	-	-	-	-	-	-	4,929	8,355
Other revenue	218,733	11,039	152,258	23,714	8,669	9,335	-	-	713	63
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	611,542	567,502	626,339	614,058	-	-	-	-	-	-
Prov of MB - Conditional Grants	12,000	6,678	802	58,971	703,126	43,356	199,793	178,751	-	-
Total revenue	$ 8,173,679	$ 7,628,137	$ 1,015,199	$ 1,153,553	$ 725,219	$ 77,720	$ 635,003	$ 584,520	$ 58,307	$ 55,939
EXPENSES										
Personnel services	$ 774,315	$ 681,638	$ 1,522,679	$ 1,494,519	$ 636,203	$ 545,685	$ 203,716	$ 192,515	$ -	$ -
Contract services	475,946	461,734	203,155	203,840	212,087	186,562	539,998	522,220	19,526	20,754
Utilities	19,975	20,052	38,963	38,690	107,312	108,095	5,359	6,801	3,497	3,287
Maintenance materials and supplies	43,813	26,162	209,523	195,122	325,939	373,958	177,838	182,631	67,162	61,813
Grants and contributions	117,213	84,865	3,924	3,703	-	-	41,037	38,825	27,914	17,902
Amortization	74,137	84,059	109,570	99,167	809,087	635,851	142,550	140,681	2,228	1,747
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-
Other	91,100	110,755	5,808	6,139	13,039	3,939	46,174	44,027	10,965	10,058
Total expenses	$1,596,499	$1,469,265	$ 2,093,622	$ 2,041,180	$ 2,103,667	$ 1,854,090	$ 1,156,672	$1,127,700	$ 131,292	$ 115,561
Surplus (Deficit)	$ 6,577,180	$ 6,158,872	$ (1,078,423)	$ (887,627)	$ (1,378,448)	$ (1,776,370)	$ (521,669)	$ (543,180)	$ (72,985)	$ (59,622)

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

TOWN OF ALTONA

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2025

SCHEDULE 4

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,233,624	$ 5,847,055
Grants in lieu of taxation	-	-	-	-	-	-	-	-	75,078	70,678
User fees	-	-	9,425	8,225	606,512	449,989	-	-	1,587,018	1,597,004
Grants - other	20,232	15,372	61,000	61,000	99,220	91,489	-	-	571,546	521,426
Permits, licences and fines	109,745	85,744	-	-	-	-	-	-	133,546	109,514
Investment income	411	1,521	-	-	846	370	-	-	380,011	554,435
Other revenue	764	-	133,117	245,569	219,239	172,379	-	-	733,493	462,099
Water and sewer	-	-	-	-	-	-	4,152,607	4,023,691	4,152,607	4,023,691
Prov of MB - Unconditional Grants	-	-	-	-	133,960	135,216	-	-	1,371,841	1,316,776
Prov of MB - Conditional Grants	8,945	2,893	-	-	8,284	5,337	-	-	932,950	295,986
Total revenue	$ 140,097	$ 105,530	$ 203,542	$ 314,794	$ 1,068,061	$ 854,780	$ 4,152,607	$ 4,023,691	$ 16,171,714	$ 14,798,664
EXPENSES										
Personnel services	$ 44,282	$ 45,621	$ 67,569	$ 61,705	$ 996,925	$ 997,558	$ 629,245	$ 543,123	$ 4,874,934	$ 4,562,364
Contract services	108,768	55,886	38,099	28,546	232,749	246,331	1,897,434	1,640,145	3,727,762	3,366,018
Utilities	-	-	1,506	1,819	175,416	183,628	173,167	175,259	525,195	537,631
Maintenance materials and supplies	6,759	1,488	66,258	40,689	256,198	306,032	618,962	415,879	1,772,452	1,603,774
Grants and contributions	38,731	-	301,529	330,173	66,867	62,112	-	-	597,215	537,580
Amortization	-	-	-	-	560,615	554,276	1,086,506	1,078,546	2,784,693	2,594,327
Interest on long term debt	-	-	-	-	252,107	260,038	140,604	149,080	392,711	409,118
Bad debts	-	-	-	-	-	-	-	-	-	-
Other	1,190	43,328	20,670	1,683	105,440	114,413	183,737	163,458	478,123	497,800
Total expenses	$ 199,730	$ 146,323	$ 495,631	$ 464,615	$ 2,646,317	$ 2,724,388	$ 4,729,655	$ 4,165,490	$ 15,153,085	$ 14,108,612
Surplus (Deficit)	$ (59,633)	$ (40,793)	$ (292,089)	$ (149,821)	$ (1,578,256)	$ (1,869,608)	$ (577,048)	$ (141,799)	$ 1,018,629	$ 690,052

TOWN OF ALTONA

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	$ 6,233,624	$ 5,847,055	$ -	$ -	$ -	$ -	$ 6,233,624	$ 5,847,055
Grants in lieu of taxation	75,078	70,678	-	-	-	-	75,078	70,678
User fees	1,578,471	1,586,754	-	-	8,547	10,250	1,587,018	1,597,004
Grants - other	368,078	336,844	-	-	203,468	184,582	571,546	521,426
Permits, licences and fines	23,801	23,770	-	-	109,745	85,744	133,546	109,514
Investment income	373,061	544,189	-	-	6,950	10,246	380,011	554,435
Other revenue	715,935	448,827	-	-	17,558	13,272	733,493	462,099
Water and sewer	3,463,990	3,538,995	-	-	688,617	484,696	4,152,607	4,023,691
Prov of MB - Unconditional Grants	1,300,782	1,244,560	-	-	71,059	72,216	1,371,841	1,316,776
Prov of MB - Conditional Grants	924,005	293,093	-	-	8,945	2,893	932,950	295,986
Total revenue	$ 15,056,825	$ 13,934,765	$ -	$ -	$ 1,114,889	$ 863,899	$ 16,171,714	$ 14,798,664
EXPENSES								
Personnel services	$ 4,494,175	$ 4,202,774	$ -	$ -	$ 380,759	$ 359,590	$ 4,874,934	$ 4,562,364
Contract services	3,525,913	3,153,375	-	-	201,849	212,643	3,727,762	3,366,018
Utilities	485,019	498,496	-	-	40,176	39,135	525,195	537,631
Maintenance materials and supplies	1,588,485	1,477,717	-	-	183,967	126,057	1,772,452	1,603,774
Grants and contributions	579,100	487,388	-	-	18,115	50,192	597,215	537,580
Amortization	2,655,044	2,474,995	-	-	129,649	119,332	2,784,693	2,594,327
Interest on long term debt	346,543	365,287	-	-	46,168	43,831	392,711	409,118
Bad debts	-	-	-	-	-	-	-	-
Other	455,633	439,986	-	-	22,490	57,814	478,123	497,800
Total expenses	$ 14,129,912	$ 13,100,018	$ -	$ -	$ 1,023,173	$ 1,008,594	$ 15,153,085	$ 14,108,612
Surplus (Deficit)	$ 926,913	$ 834,747	$ -	$ -	$ 91,716	$ (144,695)	$ 1,018,629	$ 690,052

TOWN OF ALTONA **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2025

	2025									2024
	General	Replacement	Building	Cemetery	Gas Tax	Utility	Solid Waste	Economic Development	Total	Total
REVENUE										
Investment income	$ 20,523	$ 21,823	$ 39,428	$ 3,423	$ -	$ 32,126	$ 5,024	$ 15,032	$ 137,379	$ 218,016
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	20,523	21,823	39,428	3,423	-	32,126	5,024	15,032	137,379	218,016
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	20,523	21,823	39,428	3,423	-	32,126	5,024	15,032	137,379	218,016
TRANSFERS										
Transfers from general operating fund	3,117	240,000	1,731,446	6,075	254,292	-	62,500	130,691	2,428,121	1,664,581
Transfers to general operating fund	-	(442,510)	(744,079)	-	(254,292)	-	-	-	(1,440,881)	(2,023,136)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	308,500	-	-	308,500	432,000
Transfers to utility operating fund	-	-	-	-	-	(329,550)	-	-	(329,550)	(32,684)
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	23,640	(180,687)	1,026,795	9,498	-	11,076	67,524	145,723	1,103,569	258,777
FUND SURPLUS, BEGINNING OF YEAR	1,281,044	1,213,565	2,511,361	187,617	-	1,848,945	275,384	824,002	8,141,918	7,883,141
FUND SURPLUS, END OF YEAR	$ 1,304,684	$ 1,032,878	$ 3,538,156	$ 197,115	$ -	$ 1,860,021	$ 342,908	$ 969,725	$ 9,245,487	$ 8,141,918

TOWN OF ALTONA **SCHEDULE 7**

SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.

For the Year Ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
Revenue			
Taxation	$ -	$ -	$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	$ -	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		$ -	$ -

TOWN OF ALTONA

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and temporary investments	$ -	$ -
Amounts receivable	570,367	729,827
Portfolio investments	-	-
Due from other funds	834,693	730,676
	$ 1,405,060	$ 1,460,503
LIABILITIES		
Accounts payable and accrued liabilities	$ -	$ -
Deferred revenue	-	-
Asset retirement obligations (Note 8)	3,565,776	3,457,742
Long-term debt (Note 9)	2,236,278	2,439,604
Due to other funds	-	-
	5,802,054	5,897,346
NET DEBT	$ (4,396,994)	$ (4,436,843)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	$ 19,692,193	$ 20,635,110
Inventories	165,298	109,172
Prepaid expenses	-	-
	19,857,491	20,744,282
FUND SURPLUS	$ 15,460,497	$ 16,307,439

COMMITMENTS (NOTE 10)

TOWN OF ALTONA

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2025

	Budget	2025	2024
REVENUE			
Water			
Water fees	$ 2,287,000	$ 2,295,402	$ 2,275,070
Bulk Water fees	4,500	3,279	3,839
sub-total- water	2,291,500	2,298,681	2,278,909
Sewer			
Sewer fees	1,098,000	1,036,055	1,102,696
Lagoon tipping fees	-	-	-
sub-total- sewer	1,098,000	1,036,055	1,102,696
Property taxes	-	-	-
Government transfers			
Operating	-	-	-
Capital	-	-	60,138
sub-total- government transfers	-	-	60,138
Other			
Hydrant rentals	30,300	30,300	30,300
Connection charges	10,000	80,033	50,671
Installation service	-	-	-
Penalties	10,000	13,772	15,001
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Dedication Fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	1,000	5,149	1,280
sub-total- other	51,300	129,254	97,252
Total revenue	$ 3,440,800	$ 3,463,990	$ 3,538,995

TOWN OF ALTONA
SCHEDULE OF UTILITY OPERATIONS (cont'd...)
For the Year Ended December 31, 2025

SCHEDULE 9

	Budget	2025	2024
EXPENSES			
General			
Administration	$ 379,490	$ 361,362	$ 281,879
Training costs	-	2,959	4,380
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	379,490	364,321	286,259
Water General			
Purification and treatment	146,800	135,084	105,740
Water purchases	1,591,800	1,470,063	1,462,489
Transmission and distribution	105,700	90,403	136,428
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Municipal and debt contributions	-	294,745	-
Other water supply costs	-	29,551	196
sub-total- water general	1,844,300	2,019,846	1,704,853
Water Amortization & Interest			
Amortization	-	112,284	118,382
Interest on long term debt	94,436	-	-
sub-total- water amortization & interest	94,436	112,284	118,382
Sewer General			
Collection system costs	89,700	60,035	60,259
Treatment and disposal cost	401,900	617,480	464,768
Lift Station costs	124,100	109,160	105,497
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	615,700	786,675	630,524
Sewage Amortization & Interest			
Amortization	-	850,338	845,074
Interest on long term debt	-	94,436	105,249
sub-total- sewer amortization & interest	-	944,774	950,323
Total expenses	2,933,926	4,227,900	3,690,341
NET OPERATING SURPLUS (DEFICIT)	506,874	(763,910)	(151,346)
TRANSFERS			
Transfers from (to) Pembina Valley Water Co-op	-	(103,812)	(86,029)
Transfers from (to) operating fund	-	-	-
Transfers to capital fund	(700,427)	-	-
Transfers from (to) reserve funds	215,000	21,050	(399,316)
CHANGE IN UTILITY FUND BALANCE	$ 21,447	(846,672)	(636,691)
FUND SURPLUS, BEGINNING OF YEAR		16,307,439	16,944,130
FUND SURPLUS, END OF YEAR		$ 15,460,767	$ 16,307,439

TOWN OF ALTONA

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2025

SCHEDULE 10

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	$ 5,965,959	$ -	$ -	$ -	$ -	$ -	$ 5,965,959
Grants in lieu of taxation	75,078	-	-	-	-	-	75,078
User fees	1,619,997	-	-	-	-	8,547	1,628,544
Permits, licences and fines	22,300	-	-	-	-	109,745	132,045
Investment income	300,000	-	-	-	-	6,950	306,950
Other revenue	53,000	-	-	-	-	17,558	70,558
Water and sewer	-	3,440,800	-	-	-	688,617	4,129,417
Grants - Province of Manitoba	1,222,700	-	-	-	-	80,004	1,302,704
Grants - other	374,120	-	-	-	-	203,468	577,588
Transfers from reserves	1,502,070	340,000	-	-	(1,842,070)	-	-
Total revenue	$ 11,135,224	$ 3,780,800	$ -	$ -	$ (1,842,070)	$ 1,114,889	$ 14,188,843
EXPENSES							
General government services	$ 1,283,165	$ -	$ 74,137	$ -	$ 215,596	$ -	$ 1,572,898
Protective services	1,980,465	-	109,570	-	-	-	2,090,035
Transportation services	1,401,040	-	809,087	3,117	-	-	2,213,244
Environmental health services	1,027,375	-	142,550	-	-	-	1,169,925
Public health and welfare services	107,100	-	2,228	-	-	36,830	146,158
Regional planning and development	53,500	-	-	252,107	-	154,930	460,537
Resource conservation and industrial development	397,500	-	-	-	-	124,274	521,774
Recreation and cultural services	1,816,675	-	560,615	-	-	205,384	2,582,674
Water and sewer services	-	2,839,490	1,086,506	94,436	-	501,755	4,522,187
Fiscal services:							
Transfer to capital	1,938,000	497,100	-	-	(2,435,100)	-	-
Transfer to utility	-	-	-	-	-	-	-
Debt charges	579,808	297,763	-	(877,571)	-	-	-
Short term interest	175,000	-	-	-	(175,000)	-	-
Transfer to reserves	335,000	125,000	-	-	(460,000)	-	-
Allowance for tax assets	40,596	-	-	-	(40,596)	-	-
Total expenses	$ 11,135,224	$ 3,759,353	$ 2,784,693	$ (527,911)	$ (2,895,100)	$ 1,023,173	$ 15,279,432
Surplus (Deficit)	$ -	$ 21,447	$ (2,784,693)	$ 527,911	$ 1,053,030	$ 91,716	$ (1,090,589)

TOWN OF ALTONA

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2025

SCHEDULE 11

	2025	2024
Balance, beginning of year	**$ 248,600**	$ 251,200
Add:		
Tax levy (Schedule 12)	**9,573,322**	8,954,877
Taxes added	**220,124**	204,126
Penalties or interest	**62,269**	33,704
Other accounts added	**-**	-
Taxes overpaid	**-**	-
Sub-total	**9,855,715**	9,192,707
Deduct:		
Cash collections - current	**7,939,544**	8,501,633
Cash collections - arrears	**184,822**	193,485
Cash collections - future	**51,960**	24,558
Write-offs	**1,368**	2,307
Tax discounts	**14,336**	41,127
H.A.T.C.A. - cash advance	**1,561,903**	432,197
Sub-total	**9,753,933**	9,195,307
Balance, end of year	**$ 350,382**	$ 248,600

TOWN OF ALTONA
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2025

SCHEDULE 12

	2025			2024
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage			$ -	$ -
Local improvement	-	-	-	-
At large	279,128,480	1.51	421,484	420,060
sub-total- Debt charges			421,484	420,060
Deferred surplus	-	-	-	-
Reserves:				
Machinery	279,128,480	0.71	198,181	264,662
General	-	-	-	-
Building	279,128,480	0.48	133,982	165,110
sub-total- Reserves			332,163	429,772
General municipal	279,128,480	9.74	2,718,712	2,328,543
Special levies:				
B/L 1571 - Health Levy	312,870,740	0.19	59,445	51,377
B/L 1622 - Protective Services	312,870,740	5.57	1,742,690	1,736,012
B/L 1744 - Solid Waste Collection	260,373,160		410,170	389,465
sub-total- Special levies			2,212,305	2,176,854
Business tax (3%) and fees	8,881,000	3.00	266,567	253,996
Total municipal taxes (Schedule 2)			5,951,231	5,609,225
Education support levy	78,240,740	7.117	556,839	561,724
Special levies:				
Border Land	264,109,250	11.606	3,065,252	2,783,928
sub-total- Special levies			3,065,252	2,783,928
Total education taxes			3,622,091	3,345,652
Total tax levy			$ 9,573,322	$ 8,954,877

TOWN OF ALTONA

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2025

SCHEDULE 13

	2025 Actual	2024 Actual
General government services:		
Legislative	$ 193,726	$ 185,354
General administrative	1,056,526	956,981
Other	346,247	326,930
	1,596,499	1,469,265
Protective services:		
Police	1,510,197	1,481,997
Fire	408,464	399,290
Emergency measures	45,143	42,790
Other	129,818	117,103
	2,093,622	2,041,180
Transportation services:		
Road transport		
Administration and engineering	105,637	92,765
Road and street maintenance	1,677,318	1,468,505
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	150,268	160,608
Street lighting	89,966	95,733
Other	-	-
Brush and Grass Cutting	-	-
Air transport	66,714	14,810
Other	13,764	21,669
	2,103,667	1,854,090
Environmental health services:		
Waste collection and disposal	626,771	607,522
Recycling	212,993	211,165
Other	316,908	309,013
	1,156,672	1,127,700
Public health and welfare services:		
Public health	39,196	10,930
Medical care	47,491	43,571
Social assistance	7,774	7,774
Handi-Van	-	-
	94,461	62,275
Regional planning and development		
Planning and zoning	44,800	(11,267)
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	44,800	(11,267)
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	91,308	77,482
Industrial development	280,048	244,977
Tourism	-	-
Other	-	-
	371,356	322,459
Sub-totals forward	$ 7,461,077	$ 6,865,702

TOWN OF ALTONA

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Sub-totals forward	**$ 7,461,077**	$ 6,865,702
Recreation and cultural services:		
Administration	**1,159,679**	1,191,363
Community centers and halls	**-**	-
Swimming pools and beaches	**278,902**	284,247
Golf courses	**-**	-
Skating and curling rinks	**554,621**	588,215
Parks and playgrounds	**306,696**	323,387
Other recreational facilities	**-**	-
Museums	**-**	-
Libraries	**141,037**	156,763
Other cultural facilities	**-**	-
	2,440,935	2,543,975
Total expenses	**$ 9,902,012**	$ 9,409,677

TOWN OF ALTONA
RECONCILIATION OF ANNUAL SURPLUS - Unaudited
December 31, 2025

SCHEDULE 14

	2025 General	2025 Utility	2025 Total	2024 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	$ 897	$ 953	$ 1,850	$ 2,142
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	2,428,121	308,500	2,736,621	2,096,581
Eliminate revenue - transfers from reserves	(1,440,881)	(329,550)	(1,770,431)	(2,055,820)
Increase revenue - reserve funds interest	137,379	-	137,379	218,016
Increase revenue - reserve funds other income	-	-	-	-
Increase expense - reserve funds other expenses	-	-	-	-
Increase (decrease) revenue - eliminate reserve transfer applied to previous year	-	-	-	-
Decrease revenue - Altona CDC amalgamation	-	-	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	91,716	-	91,716	(144,695)
Decrease expense - elimination of contribution to consolidating entities	110,926	103,812	214,738	183,664
Increase expense - asset retirement obligation accretion expense	(48,541)	(147,584)	(196,125)	(168,714)
Increase (Decrease) revenue - gain (loss) on disposal of land inventories	131,098	-	131,098	234,397
Decrease revenue - proceeds on disposal of land inventories	(144,900)	-	(144,900)	(262,000)
Increase expense - amortization of tangible capital assets	(1,692,422)	(962,622)	(2,655,044)	(2,474,995)
Increase (Decrease) revenue - gain (loss) on disposal of tangible capital assets	118,209	-	118,209	11,272
Decrease revenue - proceeds on disposal of tangible capital assets	(230,628)	-	(230,628)	(87,521)
Decrease expense - principal portion of debenture debt	324,584	203,326	527,910	629,070
Eliminate expense - retirement of asset retirement obligation	20,624	39,550	60,174	-
Eliminate expense - acquisitions of tangible capital assets	1,976,357	19,705	1,996,062	2,508,655
Eliminate revenue - proceeds from issuance of debentures	-	-	-	-
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 1,782,539	$ (763,910)	$ 1,018,629	$ 690,052