CITY OF DAUPHIN

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 *City of Dauphin* and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

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

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

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

Sharla Griffiths, BSc CE, CMMA
City Manager, City of Dauphin

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the
CITY OF DAUPHIN

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2025, and the results of its consolidated operations, remeasurement gains (losses), change in net financial assets, cash flows and supporting schedules for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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 City 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 City 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

MNP LLP

June 22, 2026
Dauphin, Manitoba

Chartered Professional Accountants

CITY OF DAUPHIN

Consolidated Financial Statements
For the Year Ended December 31, 2025

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CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and temporary investments (Note 4)	**$ 20,478,183**	$ 15,962,356
Amounts receivable (Note 5)	**6,448,053**	3,488,413
Portfolio investments (Note 6)	**321,030**	305,417
Other inventories for sale (Note 7)	**55,545**	74,295
	$ 27,302,811	$ 19,830,481
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	**$ 7,590,144**	$ 4,148,358
Severance and sick leave payable	**520,790**	400,919
Unearned revenue	**5,300,526**	9,203,687
Asset retirement obligations (Note 9)	**5,740,257**	5,644,358
Long-term debt (Note 10)	**10,618,062**	647,004
	29,769,779	20,044,326
NET DEBT	**$ (2,466,968)**	$ (213,845)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 76,488,828**	$ 63,530,867
Inventories (Note 7)	**428,035**	384,446
Prepaid expenses	**313,925**	214,512
	77,230,788	64,129,825
ACCUMULATED SURPLUS (Note 15)	**$ 74,763,820**	$ 63,915,980

COMMITMENTS AND CONTINGENCIES (NOTE 11)

Approved on behalf of council:

David Bosiak - Mayor

Christian Laughland - Deputy Mayor

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

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2025

	2025 Budget (Note 14)	2025 Actual	2024 Actual
REVENUE			
Property taxes	**$ 7,377,865**	**$ 7,333,797**	$ 6,898,798
Grants in lieu of taxation	**433,847**	**463,437**	454,284
User fees	**2,525,945**	**2,770,044**	2,475,406
Permits, licences and fines	**262,481**	**243,347**	267,220
Investment income	**255,232**	**606,152**	471,528
Other revenue	**1,042,569**	**1,421,814**	1,811,130
Water and sewer	**11,840,582**	**12,029,036**	4,231,312
Grants - Province of Manitoba	**8,663,151**	**3,813,434**	7,545,138
Grants - other	**941,964**	**1,001,505**	915,478
Total revenue (Schedules 2, 4 and 5)	**33,343,636**	**29,682,566**	25,070,294
EXPENSES			
General government services	**1,690,696**	**1,590,786**	1,579,984
Protective services	**4,365,788**	**4,018,573**	3,269,644
Transportation services	**3,503,599**	**3,022,007**	3,665,014
Environmental health services	**1,154,456**	**1,157,036**	1,145,073
Public health and welfare services	**137,854**	**137,354**	145,399
Regional planning and development	**308,925**	**252,971**	241,603
Resource conservation and industrial development	**1,103,880**	**1,019,535**	433,130
Recreation and cultural services	**3,668,943**	**4,280,947**	4,039,575
Water and sewer services	**3,719,035**	**3,355,577**	3,441,599
Total expenses (Schedules 3, 4 and 5)	**19,653,176**	**18,834,786**	17,961,021
ANNUAL SURPLUS	**$13,690,460**	**10,847,780**	7,109,273
ACCUMULATED SURPLUS, BEGINNING OF YEAR		**63,915,980**	56,808,699
CHANGE IN PARTNERSHIP INTEREST		**60**	(1,992)
ACCUMULATED SURPLUS, END OF YEAR		**$74,763,820**	$ 63,915,980

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

CITY OF DAUPHIN
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	**$ -**	$ -

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

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2025

	2025 Budget (Note 14)	2025 Actual	2024 Actual
ANNUAL SURPLUS	**$ 13,690,460**	**$ 10,847,780**	$ 7,109,273
Acquisition of tangible capital assets	**(28,377,264)**	**(16,134,168)**	(12,243,096)
Amortization of tangible capital assets	**2,981,885**	**2,981,885**	2,968,410
Loss (Gain) on sale of tangible capital assets	**-**	**(163,805)**	49,053
Proceeds on sale of tangible capital assets	**-**	**193,750**	14,554
Adjustment for change in percentage of partnership	**-**	**38**	(977)
Adjustment for change in assumptions	**-**	**164,399**	161,653
Increase in inventories	**-**	**(43,589)**	(23,761)
Increase in prepaid expenses	**-**	**(99,413)**	(16,911)
	(25,395,379)	**(13,100,903)**	(9,091,075)
CHANGE IN NET DEBT	**$ (11,704,919)**	**(2,253,123)**	(1,981,802)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR		**(213,845)**	1,767,957
NET DEBT, END OF YEAR		**$ (2,466,968)**	$ (213,845)

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

CITY OF DAUPHIN
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	**$ 10,847,780**	$ 7,109,273
Changes in non-cash items:		
Amounts receivable	**(2,959,640)**	(427,544)
Inventories	**(24,839)**	(47,850)
Prepaids	**(99,413)**	(16,911)
Accounts payable and accrued liabilities	**3,441,786**	176,813
Severance and sick leave payable	**119,871**	23,673
Unearned revenue	**(3,903,161)**	3,256,659
Change in gov't partnership ownership	**38**	(977)
Loss (Gain) on sale of tangible capital asset	**(163,805)**	49,053
Accretion	**260,298**	255,950
Amortization	**2,981,885**	2,968,410
Cash provided by operating transactions	**10,500,800**	13,346,549
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**193,750**	14,554
Cash used to acquire tangible capital assets	**(16,134,168)**	(12,243,096)
Cash applied to capital transactions	**(15,940,418)**	(12,228,542)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	**(15,613)**	(1,467)
FINANCING TRANSACTIONS		
Proceeds of long-term debt	**10,192,500**	-
Debt repayment	**(221,442)**	(56,526)
Cash provided by (applied to) financing transactions	**9,971,058**	(56,526)
INCREASE IN CASH AND TEMPORARY INVESTMENTS	**4,515,827**	1,060,014
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	**15,962,356**	14,902,342
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	**$ 20,478,183**	$ 15,962,356
SUPPLEMENTARY INFORMATION:		
Interest received	**606,152**	471,528
Interest paid	**435,023**	57,262

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

1. Status of the City of Dauphin

The incorporated City of Dauphin (the "City) is a City that was formed in 1998 pursuant to The Municipal Act. The City provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The City owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Change in Accounting Policy

a) Adoption of Lessee Accounting for Operating Leases of Tangible Capital Assets (Amendments to PSG-2)

In February 2025, the Public Sector Accounting Board (PSAB) issued amendments to Public Sector Guideline 2 Leased Tangible Capital Assets (PSG-2) to enhance clarity and ensure alignment with the current Public Sector Accounting (PSA) Handbook framework. The amendments include:

- Removal of outdated cross-reference in decision tree in PSG-2 to Section 3065 in former Part V of the Handbook, pre-changeover accounting standards, and renumber the decision tree to Appendix A (formerly Appendix B); and

- Add guidance to set out minimal requirements for lessee accounting for operating leases of tangible capital assets.

The guidance in PSG-2 is taken from Section 3065 in former Part V of the Handbook, pre-changeover accounting standards. These changes do not comprise a change in practice and became effective immediately when they were published.

3. Significant accounting policies

a) Reporting entity

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the City. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the City. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The City does not have any controlled organizations.

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

Riverside Cemetery Board (2025 - 50.00%) (2024 - 50.00%)
Parkland Regional Library Service (2025 - 21.46%) (2024 - 21.46%)
Dauphin Public Library (2025 - 78.64%) (2024 - 78.60%)
Dauphin Regional Airport Authority Inc. (2025 - 78.46%) (2024 - 78.46%)
Dauphin Recreation Services (2025 - 78.64%) (2024 - 78.64%)

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

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

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and temporary investments

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

3. Significant accounting policies (continued)

d) 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 31. 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.

e) Real estate properties held for sale

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

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

f) Asset retirement obligations

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

- there is a legal obligation for the City 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 amortized on the same basis as the underlying asset to which it relates.

At remediation, the City 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) 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 revenue over expenses, provides the change in net financial assets (debt) 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.

3. Significant accounting policies (continued)

h) Tangible capital assets

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

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 100 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 to 10 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	50 years
Buildings	25 to 40 years
Underground networks	40 to 75 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 City, forests, water, and other natural resources are not recognized as tangible capital assets.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

i) 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.

3. Significant accounting policies (continued)

j) 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 performance obligation. 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 transaction has been authorized and identifies an event or past transaction that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery 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 31, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 *Liabilities* .

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

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

k) Financial instruments

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

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

Fair value:
This category includes derivatives and equity instruments quoted in an active market. The City 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 public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

3. Significant accounting policies (continued)

l) Foreign currency translation

The City'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 expenses arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

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.

m) Measurement uncertainty

Estimates are used to accrue revenue 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.

n) Recent accounting pronouncements

Concepts Underlying Financial Performance (New Conceptual Framework for Financial Reporting in the Public Sector)

In December 2022, the Public Sector Accounting Board (PSAB) issued The Conceptual Framework for Financial Reporting in the Public Sector (the Conceptual Framework) which replaces conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives.

The Conceptual Framework outlines:

- Characteristics of public sector entities;
- The objective of financial reporting;
- Primary users of financial reporting and their expectations;
- The role, foundations and objectives of financial statements;
- Qualitative characteristics of information in financial statements and related considerations;
- Definitions of elements;
- Criteria of general recognition and derecognition; and
- Concepts of general measurement and presentation.

The Conceptual Framework applies for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted.

3. Significant accounting policies (continued)

n) Recent accounting pronouncements (continued)

PS 1202 *Concepts Underlying Financial Performance*

In October 2023, the Public Sector Accounting Board (PSAB) issued Section PS 1202 Financial Statement Presentation which replaces PS 1201 Financial Statement Presentation. The new Section PS 1202:

- Discusses going concern that builds on the discussion in The Conceptual Framework for Financial Reporting in the Public Sector;
- Changes the statement of financial position by:
  - Relocating the calculation of the net financial liabilities (formerly known as “net debt”) or net financial assets indicator, to its own statement;
  - Introducing two categories of liabilities: financial and non-financial;
  - Adding a third component of net assets or net liabilities: “accumulated other”;
  - Updating the definition of “non-financial assets”;
  - Restructuring the statement to present assets, followed by liabilities, followed by net assets or net liabilities; and
  - Providing an option to show the net financial assets or net financial liabilities indicator below the indicator of financial position, with reference to the statement of net financial assets or net financial liabilities;
- Adds a statement of net financial assets or net financial liabilities that presents the revised net financial assets or net financial liabilities calculation;
- Provides the option to present the change in net financial assets or net financial liabilities on the statement of net financial assets or net financial liabilities;
- Includes a statement of operations similar to the one in superseded Section PS 1201;
- Permits presenting an amended budget only when there is an election or when the majority of the governing body of a government organization has been newly elected or appointed;
- Adds the statement of changes in net assets or net liabilities that includes a reconciliation of each component of net assets or net liabilities and incorporates what is required in superseded Section PS 1201 to be included in the statement of remeasurement of gains and losses;
- Isolates financing activities in the statement of cash flow; and
- Includes guidance in various appendices in the form of application guidance, decision trees, illustrative examples and illustrative financial statements.

Section PS 1202 applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the Conceptual Framework is also adopted at the same time. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information in Section PS 1202.
Various consequential amendments resulting from the issuance of Section PS 1202 have also been issued. These include various Sections and Guidelines of the PSA Handbook that have been withdrawn or amended.

Tangible Capital Assets *(Amendments to Section PS3150)*

In May 2025, the Public Sector Accounting Board (PSAB) issued amendments to Section PS 3150 Tangible Capital Assets, as part of its Government Not-for-Profit (GNFP) Strategy Implementation Plan. The main features of the amendments include:

- Add a new criterion to the definition of a “tangible capital asset” for only a minor clarification;
- Define “collections”, “works of art and historical treasures”, and “service potential”;
- New disclosure requirements for works of art, historical treasures and collections;
- Provide accounting guidance for situations when an entity purchases a tangible capital asset at substantially below fair value; and
- Clarify that contributed materials and labour are included in the cost of a constructed or developed tangible capital asset.

For government not-for profit organizations (GNFPOs) currently applying the PS 4200 series, once the entity applies Section PS 3150, Section PS 4230 Capital Assets Held by Not-for-Profit Organizations and Section PS 4240 Collections Held by Not-for-Profit Organizations will no longer apply. Section PS 3150 is effective for fiscal years beginning on or after April 1, 2030, with earlier adoption permitted. Section PS 3150 would be applied retroactively with restatement of prior periods.

For public sector entities that have not applied the PS 4200 series, the amendments to Section PS 3150 are effective for fiscal years beginning on or after April 1, 2030, with earlier adoption permitted. The amendments would be applied retroactively with restatement of prior periods except for the amendments related to purchases of tangible capital assets at substantially below fair value and including the contributed materials and labour in the cost of a constructed or developed tangible capital asset, which are applied only to new transactions or events from the date of change.

4. Cash and temporary investments

Cash and temporary investments are comprised of the following:

	2025	2024
Cash	**$ 17,623,442**	$ 7,022,941
Temporary investments	**2,854,741**	8,939,415
	$ 20,478,183	$ 15,962,356

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The City has designated **$12,420,272** (2024 - $11,679,400) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of **$9,140,434** (2024 - $5,339,689).

5. Amounts receivable

Amounts receivable are valued at their net realizable value.

	2025	2024
Taxes on roll (Schedule 11)	**$ 1,403,029**	$ 1,144,120
Government grants	**112,493**	241,236
Utility customers	**461,904**	352,011
Accrued interest	**127,736**	301,069
Organizations and individuals	**424,159**	563,642
Other governments	**4,043,541**	1,005,143
	6,572,862	3,607,221
Less allowances for doubtful amounts	**(124,809)**	(118,808)
	$ 6,448,053	$ 3,488,413

The City encourages property owners to prepay property taxes by using an electronic funds transfer program. As at December 31, 2025, the net taxes on roll balance outstanding is **$495,378** (2024 - $480,342).

6. Portfolio investments

	2025	2024
Marketable securities:		
Toronto Dominion mutual funds	**$ 318,866**	$ 295,660
Term deposit	**-**	7,542
Other investments	**2,164**	2,215
	$ 321,030	$ 305,417

The aggregate market value of the marketable securities at December 31, 2025 is **$318,866** (2024 - $295,660). Portfolio investments earned **$18,345** in investment income during the year (2024 - $12,306).

7. Inventories

Inventories for sale:

	2025	2024
Food and beverages	**$ 18,447**	$ 14,894
Fuel (airport)	**37,098**	59,401
	$ 55,545	$ 74,295

Inventories for use:

	2025	2024
Chemicals	**$ 56,101**	$ 47,772
Pipes and water supplies	**277,824**	268,733
Aggregate and other	**94,110**	67,941
	$ 428,035	$ 384,446

8. Accounts payable and accrued liabilities

	2025	2024
Accounts payable and accrued expenses	**$ 5,766,826**	$ 2,574,232
Prepaid taxes	**756,202**	659,049
Accrued interest payable	**159,504**	2,387
School levies	**174,340**	131,707
Other governments	**733,272**	780,983
	$ 7,590,144	$ 4,148,358

9. Asset retirement obligations

	2025	2024
Balance, beginning of year	**$ 5,644,358**	$ 5,550,061
Liabilities settled during the year	**-**	-
Accretion expense	**260,298**	255,950
Change in assumptions	**(164,399)**	(161,653)
Estimated total liability	**$ 5,740,257**	$ 5,644,358

a) Landfill site

Legislation requires the City 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 estimated total liability of **$581,282** (2024 - $571,571) is based on the sum of discounted future cash flows using a discount rate of 4.75%.

b) Lagoon

The City is required to appropriately close wastewater lagoon sites at the end of their operating life. The City operates a wastewater lagoon, with an estimated remaining life of 50 years.

The estimated total liability of **$4,610,424** (2024 - $4,533,400) is based on the sum of discounted future cash flows using a discount rate of 4.75%.

c) Asbestos and lead paint

Legislation requires the City to appropriately handle and dispose of any material containing asbestos and lead paint when renovating or demolishing a municipal structure. The City owns various buildings, which contain asbestos.

The estimated total liability of **$548,551** (2024 - $539,387) is based on the sum of discounted future cash flows of $1,370,299 using a discount rate of 4.75%.

10. Long-term debt

	2025	2024
General authority:		
Debenture, interest at 4.75%, payable at $3,614 annually including interest, maturing December, 2031	**$ 18,492**	$ 21,103
Debenture, interest at 5.225%, payable at $449,793 annually including interest, maturing December, 2044	**5,337,582**	-
	$ 5,356,074	$ 21,103
Utility funds:		
Debenture, interest at 4.75%, payable at $29,447 annually including interest, maturing December, 2031	**150,665**	171,945
Debenture, interest at 4.75%, payable at $5,780 annually including interest, maturing December, 2031	**29,575**	33,752
Debenture, interest at 4.125%, payable at $27,365 annually including interest, maturing December, 2035	**220,582**	238,125
Debenture, interest at 4.125%, payable at $20,925 annually including interest, maturing December, 2035	**168,666**	182,079
Debenture, interest at 5.65%, payable at $397,566 annually including interest, maturing July, 2045	**4,692,500**	-
	$ 5,261,988	$ 625,901
	$ 10,618,062	$ 647,004

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

2026	**$ 364,978**
2027	**384,118**
2028	**404,267**
2029	**425,481**
2030	**447,815**
Subsequent years	**8,591,403**
	$ 10,618,062

11. Commitments and contingencies

On April 1, 2012, the City of Dauphin entered into an agreement with the Government of Canada for the purpose of obtaining municipal policing services. The contract expires in March 2032 and can be terminated on any March 31 anniversary date with two years notice. Under the terms of the contract, the annual costs incurred by the RCMP for the policing services they provide will be cost shared between the City of Dauphin and the Province of Manitoba on a 70/30 basis. The City's cost of policing related services that were provided by the RCMP in 2025 totalled **$2,576,081** (2024 - $1,992,378).

Ottenbreit Sanitation Services (2002) Ltd.

In September 2016, the City of Dauphin has negotiated a non-exclusive 10 year contract with Ottenbreit Sanitation Services (2002) Ltd. for the collection, processing and sale of residential recyclables. Annual charges under the contract are determined by recycling weights collected and the number of containers in service. Recycling charges under the contract in 2025 were **$252,445** (2024 - $252,614).

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% 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 Municipality on behalf of its employees are expected to be **$356,139** (2024 - $372,425) 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.

13. Subsequent events

In May 2026, the City of Dauphin finalized plans to construct an 8-million-dollar daycare through partnership with the Province of Manitoba and Government of Canada. This daycare construction will be funded primarily by the Federal and Provincial Governments with the City's monetary contributions expected to be approximately $250,000.

14. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the City has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these 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	**$ 1,286,554**	$ 540,464
Utility operating fund - Nominal surplus	**878,195**	132,102
Debenture pending included in nominal surplus	**(746,092)**	(6,500,000)
TCA tax sale properties included in nominal surplus	**(146,023)**	(67,108)
TCA net of related borrowings	**53,760,493**	51,029,883
Asset retirement obligations	**(5,740,257)**	(5,644,358)
Reserve funds	**12,420,272**	11,679,400
Accumulated surplus of City unconsolidated	**61,713,142**	51,170,383
Accumulated surpluses of consolidated entities	**13,050,678**	12,745,597
Accumulated surplus per Consolidated Statement of Financial Position	**$ 74,763,820**	$ 63,915,980

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 City. For the year ended December 31, 2025:

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

b) The following officers and employees received compensation in excess of $85,000:

Name	Position	Amount
Darrell Aitken	*Engineering Services Supervisor*	$ 90,801
Cameron Abrey	*Fire Chief*	$ 105,125
Gavin Bernat	*Mechanic*	$ 86,499
Scott Carr	*Director of Finance*	$ 116,894
David Derkach	*Building Inspector*	$ 98,433
Lisa Gaudet	*Deputy City Manager*	$ 104,791
Terry Genik	*Public Works Foreman*	$ 117,231
Sharla Griffiths	*City Manager*	$ 164,207
Jeff Hume	*Utility Foreman*	$ 123,461
Gordon Love	*Airport Manager*	$ 98,326
Oblin Negrette Sofan	*Utility Operator Level 4*	$ 96,811
Martijn Van Luijn	*Economic Development Manager*	$ 101,840
Michael VanAlstyne	*Director of Public Works & Operations*	$ 87,744
Jeff Weselowski	*Utility Foreman - Construction & Maintenance*	$ 98,554

It is a requirement of The Municipal Act that the annual consolidated financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of Council of the City. For the year ended December 31, 2025:

c) Compensation paid to members of Council amounted to $134,500 in aggregate.

Council Members:

	Compensation	Expenses	Total
Mayor David Bosiak	$ 36,314	$ 1,576	$ 37,890
Deputy Mayor Christian Laughland	17,470	1,422	18,892
Councillor Devin Shtykalo	15,709	1,051	16,760
Councillor Katherine Bellemare	17,389	1,467	18,856
Councillor Steven Sobering	14,953	2,718	17,671
Councillor Randy Daley	15,989	4,822	20,811
Councillor Ted Rea	16,676	2,247	18,923
	$ 134,500	$ 15,303	$ 149,803

17. Segmented information

The City of Dauphin provides a wide range of services to its residents.

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

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

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

18. Government partnerships

The City has several partnership agreements for municipal services. The consolidated financial statements include the City's proportionate interest, as disclosed in note 3(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2025	2024
Financial Position		
Financial assets	**$ 1,459,767**	$ 1,463,832
Financial liabilities	**521,821**	572,608
Net financial assets	**$ 937,946**	$ 891,224
Non-financial assets	**12,112,732**	11,854,373
Accumulated surplus	**$ 13,050,678**	$ 12,745,597
Result of Operations		
Revenue	**$ 2,302,933**	$ 2,874,150
Expenses	**1,997,912**	1,965,524
Annual surplus	**$ 305,021**	$ 908,626

19. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The 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 and not subject to audit under PSAB standards, the City 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 assets.

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

The following table provides unaudited, non-PSAB 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 *(Unaudited)*	Additions During Year *(Unaudited)*	Amortization During Year *(Unaudited)*	Unamortized Balance Ending *(Unaudited)*
Water Treatment Plant	$ 2,104,970	$ -	$ 150,355	$ 1,954,615
Industrial Park Water	141,983	-	5,496	136,487
Hydrant upgrades	450,409	-	17,492	432,917
Aqueduct upgrades	235,189	-	7,861	227,328
Aqueduct upgrades	39,933	-	1,345	38,588
Brown Reservoir	31,414	-	31,414	-
UV Disinfection Install	1,112,331	-	47,646	1,064,685
	$ 4,116,229	$ -	$ 261,609	$ 3,854,620

Sewer services:

Description of Utility	Unamortized Opening Balance *(Unaudited)*	Additions During Year *(Unaudited)*	Amortization During Year *(Unaudited)*	Unamortized Balance Ending *(Unaudited)*
Lagoon Cell 1 Upgrades	$ 100,750	$ -	$ 3,250	$ 97,500
Lagoon Cell 2 Upgrades	116,716	-	3,648	113,068
Lagoon Cell 6 Upgrades	209,006	-	6,333	202,673
Low Pressure Sewer	81,881	-	1,861	80,020
South End Sewer Upgrades	44,601	-	859	43,742
South End Sewer Upgrades	633,597	-	11,973	621,624
Lift Station upgrades	1,170,330	-	50,157	1,120,173
	$ 2,356,881	$ -	$ 78,081	$ 2,278,800

CITY OF DAUPHIN **SCHEDULE 1**

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2025

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	**2025**	2024
Cost										
Opening costs	9,493,093	22,285,944	12,065,181	388,881	10,122,513	40,689,337	40,477,129	1,262,143	136,784,221	125,011,583
Additions during the year	10,237,988	137,166	1,301,969	8,635	(9,349,775)	887,922	728,020	12,182,243	16,134,168	12,243,096
Change in ownership percentage	-	-	67	5	-	-	-	-	72	(2,550)
Change in assumptions	(16,648)	(14,363)	-	-	-	-	(133,388)	-	(164,399)	(161,653)
Disposals and write downs	-	-	(495,303)	(6,305)	-	(125,415)	(4,501)	-	(631,524)	(306,255)
Closing costs	**19,714,433**	**22,408,747**	**12,871,914**	**391,216**	**772,738**	**41,451,844**	**41,067,260**	**13,444,386**	**152,122,538**	136,784,221
Accumulated Amortization										
Opening accum'd amortization	2,635,813	12,773,359	8,500,157	358,099	-	27,057,440	21,928,486	-	73,253,354	70,529,127
Amortization	180,125	423,623	680,975	21,091	-	837,980	838,091	-	2,981,885	2,968,410
Change in ownership percentage	-	-	43	3	-	-	-	-	46	(1,535)
Disposals and write downs	-	-	(486,743)	(6,305)	-	(104,026)	(4,501)	-	(601,575)	(242,648)
Closing accum'd amortization	**2,815,938**	**13,196,982**	**8,694,432**	**372,888**	**-**	**27,791,394**	**22,762,076**	**-**	**75,633,710**	73,253,354
Net Book Value of Tangible Capital Assets	**16,898,495**	**9,211,765**	**4,177,482**	**18,328**	**772,738**	**13,660,450**	**18,305,184**	**13,444,386**	**76,488,828**	63,530,867

CITY OF DAUPHIN **SCHEDULE 2**

CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	**$ 7,227,866**	$ 6,850,139
Taxes added	**105,931**	48,659
	7,333,797	6,898,798
Grants in lieu of taxation		
Federal government	**43,124**	42,887
Provincial government	**380,722**	383,522
Other municipal governments	**39,591**	27,875
	463,437	454,284
User fees		
Parking meters	**-**	-
Sales of service	**2,144,146**	1,844,627
Sales of goods	**303,536**	338,990
Rentals	**318,381**	289,018
Development charges	**3,981**	2,771
	2,770,044	2,475,406
Grants - Province of Manitoba		
Municipal operating grants	**2,361,619**	2,231,183
Other unconditional grants	**-**	-
Conditional grants	**1,451,815**	5,313,955
	3,813,434	7,545,138
Grants - other		
Federal government - Canada Community-Building Fund (gas tax)	**484,719**	465,330
Federal government - other	**52,833**	7,515
Other municipal governments	**463,953**	442,633
	1,001,505	915,478
Permits, licences and fines		
Permits	**35,966**	44,756
Licences	**103,640**	94,445
Fines	**103,741**	128,019
	243,347	267,220
Investment income (loss)		
Cash and temporary investments	**570,604**	433,002
Marketable securities	**35,548**	38,526
Customer charges	**-**	-
	606,152	471,528
Other revenue		
Gain on sale of tangible capital assets	**163,805**	8,054
Accommodation tax	**411,729**	408,192
Insurance and other rebates	**140,326**	124,634
Donations	**391,571**	1,003,684
Expenses recovered	**74,691**	53,716
Penalties and interest	**178,356**	161,343
Other	**61,336**	51,507
	1,421,814	1,811,130
Water and sewer		
Municipal utility (Schedule 9)	**12,029,036**	4,231,312
Total revenue	**$ 29,682,566**	$ 25,070,294

CITY OF DAUPHIN **SCHEDULE 3**

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

	2025 Actual	2024 Actual
General government services		
Legislative	**$ 141,013**	$ 140,055
General administrative	**982,971**	978,216
Other	**466,802**	461,713
	1,590,786	1,579,984
Protective services		
Police	**2,800,577**	2,211,275
Fire	**739,377**	642,312
Emergency measures	**23,867**	23,222
Other	**454,752**	392,835
	4,018,573	3,269,644
Transportation services		
Road transport		
Administration and engineering	**584,831**	602,604
Road and street maintenance	**682,302**	1,047,937
Bridge maintenance	**440**	17,781
Sidewalk and boulevard maintenance	**191,144**	199,525
Street lighting	**178,083**	177,002
Other	**864,599**	1,058,000
Air transport	**520,608**	562,165
	3,022,007	3,665,014
Environmental health services		
Waste collection and disposal	**899,750**	887,736
Recycling	**257,286**	257,337
	1,157,036	1,145,073
Public health and welfare services		
Public health	**103,605**	111,650
Social assistance	**33,749**	33,749
	137,354	145,399
Regional planning and development		
Planning and zoning	**23,864**	32,797
Urban renewal	**-**	-
Beautification and land rehabilitation	**191,970**	186,355
Urban area weed control	**15,817**	10,740
Other	**21,320**	11,711
	252,971	241,603
Resource conservation and industrial development		
Veterinary services	**8,140**	8,140
Tourism	**255,771**	183,990
Other	**755,624**	241,000
	1,019,535	433,130
Sub-totals forward	**11,198,262**	10,479,847

CITY OF DAUPHIN **SCHEDULE 3**

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

	2025 Actual	2024 Actual
Sub-totals forward	**11,198,262**	10,479,847
Recreation and cultural services		
Community centers and halls	**65,314**	53,185
Other recreational facilities	**3,754,312**	3,560,109
Museums	**66,729**	56,032
Libraries	**394,592**	370,249
	4,280,947	4,039,575
Water and sewer services		
Municipal utility (Schedule 9)	**3,355,577**	3,441,599
Total expenses	**$18,834,786**	$17,961,021

CITY OF DAUPHIN **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	**$ 7,298,570**	$ 6,863,571	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -
Grants in lieu of taxation	**463,437**	454,284	**-**	-	**-**	-	**-**	-	**-**	-
User fees	**290,197**	257,204	**181,746**	152,323	**367,173**	465,608	**923,740**	682,554	**61,384**	63,479
Prov of MB - Unconditional Grants	**1,133,307**	1,026,956	**1,228,312**	1,204,227	**-**	-	**-**	-	**-**	-
Prov of MB - Conditional Grants	**109,710**	344,032	**800,000**	-	**18,949**	4,462,396	**278,577**	264,181	**-**	-
Grants - other	**32,151**	5,942	**-**	-	**537,013**	511,753	**-**	-	**-**	-
Permits, licences and fines	**101,066**	103,725	**117,350**	132,653	**-**	-	**-**	-	**-**	-
Investment income	**561,576**	412,038	**-**	-	**5,916**	17,901	**-**	-	**35,548**	38,526
Other revenue	**646,604**	614,062	**73,780**	51,482	**315,468**	141,536	**-**	-	**10,564**	5,496
Water and sewer	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total revenue	**$ 10,636,618**	$ 10,081,814	**$ 2,401,188**	$ 1,540,685	**$ 1,244,519**	$ 5,599,194	**$ 1,202,317**	$ 946,735	**$ 107,496**	$ 107,501
EXPENSES										
Personnel services	**$ 791,246**	$ 825,747	**$ 756,801**	$ 703,485	**$ 1,176,731**	$ 1,221,941	**$ 241,074**	$ 250,773	**$ 45,055**	$ 40,057
Contract services	**150,055**	153,605	**2,479,533**	1,957,145	**233,484**	521,068	**310,159**	292,971	**51,170**	55,554
Utilities	**56,908**	54,044	**39,660**	36,060	**225,121**	222,473	**11,575**	10,342	**2,658**	3,253
Maintenance materials & supplies	**153,018**	138,889	**201,965**	159,099	**679,533**	930,420	**30,977**	26,141	**24,960**	33,223
Grants and contributions	**54,492**	73,092	**-**	-	**24,889**	19,594	**91,653**	86,184	**-**	-
Accretion	**-**	-	**1,277**	1,256	**398**	392	**26,359**	25,918	**-**	-
Amortization	**133,161**	139,339	**182,962**	160,687	**1,146,640**	1,104,204	**153,695**	169,209	**11,204**	8,000
Interest on long term debt	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other	**251,906**	195,268	**356,375**	251,912	**(464,789)**	(355,078)	**291,544**	283,535	**2,307**	5,312
Total expenses	**$ 1,590,786**	$ 1,579,984	**$ 4,018,573**	$ 3,269,644	**$ 3,022,007**	$ 3,665,014	**$ 1,157,036**	$ 1,145,073	**$ 137,354**	$ 145,399
Surplus (Deficit)	**$ 9,045,832**	$ 8,501,830	**$ (1,617,385)**	$ (1,728,959)	**$ (1,777,488)**	$ 1,934,180	**$ 45,281**	$ (198,338)	**$ (29,858)**	$ (37,898)

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

CITY OF DAUPHIN **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	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ 35,227**	$ 35,227	**$ 7,333,797**	$ 6,898,798
Grants in lieu of taxation	**-**	-	**-**	-	**-**	-	**-**	-	**463,437**	454,284
User fees	**3,981**	2,771	**-**	-	**941,823**	851,467	**-**	-	**2,770,044**	2,475,406
Prov of MB - Unconditional Grants	**-**	-	**-**	-	**-**	-	**-**	-	**2,361,619**	2,231,183
Prov of MB - Conditional Grants	**55,510**	51,449	**-**	-	**189,069**	191,897	**-**	-	**1,451,815**	5,313,955
Grants - other	**-**	-	**-**	-	**432,341**	397,783	**-**	-	**1,001,505**	915,478
Permits, licences and fines	**20,950**	28,714	**-**	-	**3,981**	2,128	**-**	-	**243,347**	267,220
Investment income	**-**	-	**-**	-	**3,112**	3,063	**-**	-	**606,152**	471,528
Other revenue	**3,565**	2,205	**17,552**	14,252	**354,281**	982,097	**-**	-	**1,421,814**	1,811,130
Water and sewer	**-**	-	**-**	-	**-**	-	**12,029,036**	4,231,312	**12,029,036**	4,231,312
Total revenue	**$ 84,006**	$ 85,139	**$ 17,552**	$ 14,252	**$ 1,924,607**	$ 2,428,435	**$ 12,064,263**	$ 4,266,539	**$ 29,682,566**	$ 25,070,294
EXPENSES										
Personnel services	**$ 13,362**	$ 9,467	**$ 231,137**	$ 202,672	**$ 1,793,665**	$ 1,838,284	**$ 1,207,012**	$ 1,170,429	**$ 6,256,083**	$ 6,262,855
Contract services	**195,888**	200,940	**8,821**	4,191	**270,049**	268,289	**159,169**	195,249	**3,858,328**	3,649,012
Utilities	**-**	-	**3,414**	3,850	**360,629**	323,137	**106,314**	129,272	**806,279**	782,431
Maintenance materials & supplies	**8,603**	2,070	**1,159**	3,572	**575,353**	499,598	**519,079**	585,495	**2,194,647**	2,378,507
Grants and contributions	**28,767**	27,640	**8,140**	8,140	**629,114**	589,141	**-**	-	**837,055**	803,791
Accretion	**-**	-	**-**	-	**21,066**	20,714	**211,198**	207,670	**260,298**	255,950
Amortization	**-**	-	**27,184**	28,550	**488,948**	452,548	**838,091**	905,873	**2,981,885**	2,968,410
Interest on long term debt	**-**	-	**363,418**	1,111	**-**	-	**53,769**	29,282	**417,187**	30,393
Other	**6,351**	1,486	**376,262**	181,044	**142,123**	47,864	**260,945**	218,329	**1,223,024**	829,672
Total expenses	**$ 252,971**	$ 241,603	**$ 1,019,535**	$ 433,130	**$ 4,280,947**	$ 4,039,575	**$ 3,355,577**	$ 3,441,599	**$18,834,786**	$17,961,021
Surplus (Deficit)	**$ (168,965)**	$ (156,464)	**$ (1,001,983)**	$ (418,878)	**$ (2,356,340)**	$ (1,611,140)	**$ 8,708,686**	$ 824,940	**$ 10,847,780**	$ 7,109,273

CITY OF DAUPHIN **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	**$ 7,333,797**	$ 6,898,798	**$ -**	$ -	**$ -**	$ -	**$ 7,333,797**	$ 6,898,798
Grants in lieu of taxation	**463,437**	454,284	**-**	-	**-**	-	**463,437**	454,284
User fees	**1,540,987**	1,259,122	**-**	-	**1,229,057**	1,216,284	**2,770,044**	2,475,406
Prov of MB - Unconditional Grants	**2,361,619**	2,231,183	**-**	-	**-**	-	**2,361,619**	2,231,183
Prov of MB - Conditional Grants	**1,295,813**	5,163,704	**-**	-	**156,002**	150,251	**1,451,815**	5,313,955
Grants - other	**516,870**	471,272	**-**	-	**484,635**	444,206	**1,001,505**	915,478
Permits, licences and fines	**239,366**	265,092	**-**	-	**3,981**	2,128	**243,347**	267,220
Investment income	**561,576**	412,038	**-**	-	**44,576**	59,490	**606,152**	471,528
Other revenue	**1,037,132**	809,339	**-**	-	**384,682**	1,001,791	**1,421,814**	1,811,130
Water and sewer	**12,029,036**	4,231,312	**-**	-	**-**	-	**12,029,036**	4,231,312
Total revenue	**$ 27,379,633**	$ 22,196,144	**$ -**	$ -	**$ 2,302,933**	$ 2,874,150	**$ 29,682,566**	$ 25,070,294
EXPENSES								
Personnel services	**$ 4,283,297**	$ 4,251,932	**$ -**	$ -	**$ 1,972,786**	$ 2,010,923	**$ 6,256,083**	$ 6,262,855
Contract services	**3,558,023**	3,345,636	**-**	-	**300,305**	303,376	**3,858,328**	3,649,012
Utilities	**426,981**	440,507	**-**	-	**379,298**	341,924	**806,279**	782,431
Maintenance materials and supplies	**1,428,131**	1,628,353	**-**	-	**766,516**	750,154	**2,194,647**	2,378,507
Grants and contributions	**3,011,039**	2,866,196	**-**	-	**(2,173,984)**	(2,062,405)	**837,055**	803,791
Accretion	**260,298**	255,950	**-**	-	**-**	-	**260,298**	255,950
Amortization	**2,401,284**	2,426,040	**-**	-	**580,601**	542,370	**2,981,885**	2,968,410
Interest on long term debt	**417,187**	30,393	**-**	-	**-**	-	**417,187**	30,393
Other	**1,050,634**	750,490	**-**	-	**172,390**	79,182	**1,223,024**	829,672
Total expenses	**$ 16,836,874**	$ 15,995,497	**$ -**	$ -	**$ 1,997,912**	$ 1,965,524	**$ 18,834,786**	$ 17,961,021
Surplus	**$ 10,542,759**	$ 6,200,647	**$ -**	$ -	**$ 305,021**	$ 908,626	**$ 10,847,780**	$ 7,109,273

CITY OF DAUPHIN **SCHEDULE 6**

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

	2025						
	General Reserve	**Machinery Reserve**	**Fire Reserve**	**Public Land Reserve**	**Civic Buildings Reserve**	**Gas Tax Reserve**	**Sub-total**
REVENUE							
Investment income	$ 60,511	$ 15,608	$ 35,077	$ 34	$ 24,010	$ 61,363	**$ 196,603**
Other income	-	-	-	-	-	-	**-**
Total revenue	60,511	15,608	35,077	34	24,010	61,363	**196,603**
EXPENSES							
Investment charges	-	-	-	-	-	-	**-**
Other expenses	-	-	-	-	-	-	**-**
Total expenses	-	-	-	-	-	-	**-**
NET REVENUES	60,511	15,608	35,077	34	24,010	61,363	**196,603**
TRANSFERS							
Transfers from general operating fund	975,250	300,000	253,750	-	100,000	484,719	**2,113,719**
Transfers to general operating fund	(690,636)	-	-	-	-	-	**(690,636)**
Transfer from nominal surplus	-	-	-	-	-	-	**-**
Transfers from utility operating fund	-	-	-	-	-	-	**-**
Transfers to utility operating fund	-	-	-	-	-	-	**-**
Acquisition of tangible capital assets	(468,827)	(101,747)	(2,595)	-	(177,434)	(1,034,226)	**(1,784,829)**
CHANGE IN RESERVE FUND BALANCES	(123,702)	213,861	286,232	34	(53,424)	(488,144)	**(165,143)**
FUND SURPLUS, BEGINNING OF YEAR	5,255,182	720,006	972,698	840	688,138	1,121,415	**8,758,279**
FUND SURPLUS, END OF YEAR	$ 5,131,480	$ 933,867	$ 1,258,930	$ 874	$ 634,714	$ 633,271	**$ 8,593,136**

CITY OF DAUPHIN **SCHEDULE 6**

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

	2025						
	Watson Arts Reserve	**Recreation Reserve**	**Tourism & Economic Dev. Reserve**	**Snow & Ice Reserve**	**Environmental Stewardship Reserve**	**Mitigation & Preparedness Reserve**	**Sub-total**
REVENUE							
Investment income	$ 1,623	$ 21,088	$ 5,013	$ 5,591	$ 31,709	$ 255	**$ 261,882**
Other income	-	-	-	-	-	-	**-**
Total revenue	1,623	21,088	5,013	5,591	31,709	255	**261,882**
EXPENSES							
Investment charges	-	-	-	-	-	-	**-**
Other expenses	-	-	-	-	-	-	**-**
Total expenses	-	-	-	-	-	-	**-**
NET REVENUES	1,623	21,088	5,013	5,591	31,709	255	**261,882**
TRANSFERS							
Transfers from general operating fund	6,249	288,211	123,519	-	331,323	7,858	**2,870,879**
Transfers to general operating fund	-	(357,135)	(85,303)	-	-	-	**(1,133,074)**
Transfer from nominal surplus	-	-	-	-	-	-	**-**
Transfers from utility operating fund	-	-	-	-	-	-	**-**
Transfers to utility operating fund	-	-	-	-	-	-	**-**
Acquisition of tangible capital assets	-	-	-	-	-	-	**(1,784,829)**
CHANGE IN RESERVE FUND BALANCES	7,872	(47,836)	43,229	5,591	363,032	8,113	**214,858**
FUND SURPLUS, BEGINNING OF YEAR	19,353	642,114	212,319	137,538	1,136,294	23,321	**10,929,218**
FUND SURPLUS, END OF YEAR	$ 27,225	$ 594,278	$ 255,548	$ 143,129	$ 1,499,326	$ 31,434	**$ 11,144,076**

CITY OF DAUPHIN **SCHEDULE 6**

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

	2025			2024
	Development Reserve	**Water & Sewer Reserve**	**Total**	Total
REVENUE				
Investment income	$ -	$ 29,936	**$ 291,818**	$ 297,143
Other income	-	-	**-**	-
Total revenue	-	29,936	**291,818**	297,143
EXPENSES				
Investment charges	-	-	**-**	-
Other expenses	-	-	**-**	-
Total expenses	-	-	**-**	-
NET REVENUES	-	29,936	**291,818**	297,143
TRANSFERS				
Transfers from general operating fund	250,000	-	**3,120,879**	2,023,089
Transfers to general operating fund	-	-	**(1,133,074)**	(97,563)
Transfer from nominal surplus	-	-	**-**	-
Transfers from utility operating fund	-	804,452	**804,452**	250,000
Transfers to utility operating fund	-	-	**-**	-
Acquisition of tangible capital assets	-	(558,374)	**(2,343,203)**	(2,320,512)
CHANGE IN RESERVE FUND BALANCES	250,000	276,014	**740,872**	152,157
FUND SURPLUS, BEGINNING OF YEAR	-	750,182	**11,679,400**	11,527,243
FUND SURPLUS, END OF YEAR	$ 250,000	$ 1,026,196	**$ 12,420,272**	$ 11,679,400

CITY OF DAUPHIN **SCHEDULE 7**

SCHEDULE OF L.U.D. OPERATIONS
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 revenue (expenses)	**-**	**-**	-
Transfers:			
Transfers from (to) L.U.D. reserves	**-**	**-**	-
Transfers from (to) operating fund	**-**	**-**	-
Other (specify):	**-**	**-**	-
Change in L.U.D. balances	**$ -**	**-**	-
Unexpended balance, beginning of year		**-**	-
Unexpended balance, end of year		**$ -**	$ -

CITY OF DAUPHIN **SCHEDULE 8**

SCHEDULE OF FINANCIAL POSITION FOR UTILITY
As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Amounts receivable	**3,779,972**	855,246
Due from other funds	**512,295**	-
	$ 4,292,267	$ 855,246
LIABILITIES		
Accounts payable and accrued liabilities	**$ 360,435**	$ 237,702
Severance and sick leave payable	**99,923**	84,763
Asset retirement obligations (Note 9)	**4,657,471**	4,579,662
Long-term debt (Note 10)	**5,261,988**	625,901
Other	**3,296,076**	1,726,339
	13,675,893	7,254,367
NET DEBT	**$ (9,383,626)**	$ (6,399,121)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 31,749,570**	$ 19,810,786
Inventories	**333,925**	316,505
Prepaid expenses	**8,437**	9,155
	32,091,932	20,136,446
FUND SURPLUS	**$ 22,708,306**	$ 13,737,325

COMMITMENTS AND CONTINGENCIES (Note 11)

CITY OF DAUPHIN **SCHEDULE 9**

SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
REVENUE			
Water			
Water fees	**$ 1,928,440**	**$ 2,177,499**	$ 1,759,177
Bulk water fees	**81,376**	**92,377**	73,979
sub-total - water	**2,009,816**	**2,269,876**	1,833,156
Sewer			
Sewer fees	**713,932**	**749,612**	618,909
Lagoon tipping fees	**22,500**	**22,055**	25,135
sub-total - sewer	**736,432**	**771,667**	644,044
Property taxes	**35,227**	**35,227**	35,227
Recovery			
Deficit recovery	**-**	**-**	-
Debenture recovery	**-**	**-**	-
sub-total - recovery	**-**	**-**	-
Government transfers			
Province of Manitoba	**4,626,694**	**3,738,689**	417,103
Federal Government	**3,652,394**	**4,483,343**	499,857
sub-total - government transfers	**8,279,088**	**8,222,032**	916,960
Other			
Hydrant rentals	**60,550**	**60,550**	60,550
Connection charges	**21,000**	**19,550**	19,880
Installation service	**100,000**	**108,709**	200,240
Penalties	**9,000**	**10,692**	9,909
Administration fees	**584,000**	**561,468**	535,646
Other income	**5,469**	**4,492**	10,927
sub-total - other	**780,019**	**765,461**	837,152
Total revenue	**11,840,582**	**12,064,263**	4,266,539

CITY OF DAUPHIN **SCHEDULE 9**
SCHEDULE OF UTILITY OPERATIONS (cont'd)
For the Year Ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
EXPENSES			
General			
Administration	**719,197**	**576,091**	540,553
Training costs	**17,250**	**13,768**	23,824
Billing and collection	**23,980**	**21,651**	18,895
Utilities (telephone, electricity, etc.)	**4,620**	**4,458**	4,306
sub-total - general	**765,047**	**615,968**	587,578
Water general			
Purification and treatment	**813,240**	**749,157**	755,155
Transmission and distribution	**300,455**	**252,017**	234,995
Transportation services	**81,500**	**72,487**	84,583
Water supply	**109,290**	**87,671**	121,667
Connection costs	**45,130**	**47,206**	32,488
Other expenses	**155,075**	**130,705**	163,940
sub-total - water general	**1,504,690**	**1,339,243**	1,392,828
Water amortization, accretion & interest			
Amortization	**549,471**	**549,471**	597,843
Accretion	**-**	**-**	-
Interest on long term debt	**53,769**	**53,769**	29,282
sub-total - water amortization & interest	**603,240**	**603,240**	627,125
Sewer general			
Collection system costs	**115,525**	**100,867**	72,007
Treatment and disposal cost	**147,245**	**112,992**	166,161
Lift Station costs	**81,470**	**83,449**	80,200
Transportation services	**-**	**-**	-
Connection costs	**-**	**-**	-
Other sewage & disposal costs	**2,000**	**-**	-
sub-total - sewer general	**346,240**	**297,308**	318,368
Sewage amortization, accretion & interest			
Amortization	**288,620**	**288,620**	308,030
Accretion	**211,198**	**211,198**	207,670
Interest on long term debt	**-**	**-**	-
sub-total - sewer amortization & interest	**499,818**	**499,818**	515,700
Total expenses	**3,719,035**	**3,355,577**	3,441,599
NET OPERATING SURPLUS	**8,121,547**	**8,708,686**	824,940
TRANSFERS			
Transfers from operating fund	**-**	**-**	-
Transfers from (to) reserve funds	**(250,000)**	**262,295**	(16,720)
CHANGE IN UTILITY FUND BALANCE	**$ 7,871,547**	**8,970,981**	808,220
FUND SURPLUS, BEGINNING OF YEAR		**13,737,325**	12,929,105
FUND SURPLUS, END OF YEAR		**$22,708,306**	$13,737,325

CITY OF DAUPHIN **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	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	$ 7,377,865	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,377,865
Grants in lieu of taxation	433,847	-	-	-	-	-	-	433,847
User fees	1,803,195	-	-	-	(445,000)	-	1,167,750	2,525,945
Permits, licences and fines	258,500	-	-	-	-	-	3,981	262,481
Investment income	210,656	-	-	-	-	-	44,576	255,232
Other revenue	995,173	-	-	-	-	-	47,396	1,042,569
Water and sewer	-	11,805,355	-	-	35,227	-	-	11,840,582
Grants - Province of Manitoba	8,531,675	-	-	-	-	-	131,476	8,663,151
Grants - other	506,219	-	-	-	-	-	435,745	941,964
Transfers from General Fund	-	35,227	-	-	(35,227)	-	-	-
Transfers from reserves	1,051,965	-	-	-	(1,051,965)	-	-	-
Total revenue	**$ 21,169,095**	**$ 11,840,582**	**$ -**	**$ -**	**$ (1,496,965)**	**$ -**	**$ 1,830,924**	**$ 33,343,636**
EXPENSES								
General government services	$ 1,532,535	$ -	$ 133,161	$ -	$ 25,000	$ -	$ -	$ 1,690,696
Protective services	4,181,549	-	184,239	-	-	-	-	4,365,788
Transportation services	2,369,189	-	1,034,348	-	(305,000)	-	405,062	3,503,599
Environmental health services	1,114,402	-	180,054	-	(140,000)	-	-	1,154,456
Public health and welfare services	34,249	-	-	-	-	-	103,605	137,854
Regional planning and development	308,925	-	-	-	-	-	-	308,925
Resource cons and industrial dev	713,278	-	27,184	363,418	-	-	-	1,103,880
Recreation and cultural services	2,336,016	-	53,307	-	298,000	-	981,620	3,668,943
Water and sewer services	-	2,615,977	1,049,289	53,769	-	-	-	3,719,035
Fiscal services:								
Transfer to utility	35,227	-	-	-	(35,227)	-	-	-
Transfer to capital	5,867,912	8,891,088	-	-	(14,759,000)	-	-	-
Debt charges	504,772	83,517	-	-	(588,289)	-	-	-
Transfer to reserves	2,146,041	250,000	-	-	(2,396,041)	-	-	-
Allowance for tax assets	25,000	-	-	-	(25,000)	-	-	-
Total expenses	**$ 21,169,095**	**$ 11,840,582**	**$ 2,661,582**	**$ 417,187**	**$ (17,925,557)**	**$ -**	**$ 1,490,287**	**$ 19,653,176**
Surplus (Deficit)	**$ -**	**$ -**	**$ (2,661,582)**	**$ (417,187)**	**$ 16,428,592**	**$ -**	**$ 340,637**	**$ 13,690,460**

CITY OF DAUPHIN
ANALYSIS OF TAXES ON ROLL
December 31, 2025

SCHEDULE 11

	2025	2024
Balance, beginning of year	**$ 1,144,120**	$ 1,092,157
Add:		
Tax levy (Schedule 12)	13,014,526	12,363,868
Taxes added	105,931	48,659
Penalties or interest	178,356	161,343
Transfers and adjustments	44,058	145,298
Sub-total	**13,342,871**	12,719,168
Deduct:		
Cash collections - current	9,647,951	8,859,070
Cash collections - arrears	495,378	756,299
Taxes cancelled	20,482	19,158
HATCA & MB School Tax Rebate	2,177,458	2,463,756
Prior year tax credits applied	663,778	527,709
Tax sale properties	78,915	41,213
Sub-total	**13,083,962**	12,667,205
Balance, end of year	**$ 1,403,029**	$ 1,144,120

CITY OF DAUPHIN **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.	477,324,860	1.084	$ 517,420	$ 37,655
Reserves:				
Equipment Replacement	392,839,560	0.721	283,237	259,035
Fire Equipment Replacement	392,839,560	0.241	94,675	70,646
Civic Building	392,839,560	0.181	71,104	94,195
sub-total - Reserves			449,016	423,876
General municipal				
At Large	392,839,560	15.969	6,273,255	6,403,128
School Division not rateable property			(29,595)	(33,502)
sub-total - General municipal			6,243,660	6,369,626
Business tax			17,770	18,982
Total municipal taxes (Schedule 2)			**7,227,866**	6,850,139
Education support levy	110,693,710	7.117	787,807	842,462
Community Revitalization Levy	3,861,130	20.377	78,678	75,986
Community Revitalization Levy	7,043,140	13.260	93,392	92,807
Special levies:				
Mountain View School Division	361,778,830	13.260	4,797,188	4,468,972
MVSD - not rateable property			29,595	33,502
sub-total - Special levies			4,826,783	4,502,474
Total education taxes			**5,786,660**	5,513,729
Total tax levy (Schedule 11)			**$ 13,014,526**	$ 12,363,868

CITY OF DAUPHIN **SCHEDULE 13**

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
General government services		
Legislative	**$ 141,013**	$ 140,055
General administrative	**982,971**	978,216
Other	**308,641**	297,374
Allowance for Tax Assets	**25,000**	25,000
Amortization and accretion	**133,161**	139,339
	1,590,786	1,579,984
Protective services		
Police	**2,800,577**	2,211,275
Fire	**739,377**	642,312
Emergency measures	**23,867**	23,222
Other	**270,513**	230,892
Amortization and accretion	**184,239**	161,943
	4,018,573	3,269,644
Transportation services		
Road transport		
Administration and engineering	**584,831**	602,604
Road and street maintenance	**682,302**	1,047,937
Bridge maintenance	**440**	17,781
Sidewalk and boulevard maintenance	**191,144**	199,525
Street lighting	**178,083**	177,002
Other	**(169,749)**	65,736
Amortization and accretion	**1,034,348**	992,264
Air transport	**115,546**	90,966
	2,616,945	3,193,815
Environmental health services		
Waste collection and disposal	**719,696**	692,608
Recycling	**257,286**	257,337
Amortization and accretion	**180,054**	195,128
	1,157,036	1,145,073
Public health and welfare services		
Public health	**-**	910
Social assistance	**33,749**	33,749
	33,749	34,659
Regional planning and development		
Planning and zoning	**23,864**	32,797
Urban renewal	**-**	-
Beautification and land rehabilitation	**191,970**	186,355
Urban area weed control	**15,817**	10,740
Other	**21,320**	11,711
	252,971	241,603
Resource conservation and industrial development		
Veterinary services	**8,140**	8,140
Regional development	**-**	-
Tourism	**255,771**	183,990
Other	**728,440**	212,450
Amortization and accretion	**27,184**	28,550
	1,019,535	433,130
Sub-totals forward	**10,689,595**	9,897,908

CITY OF DAUPHIN **SCHEDULE 13**

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Sub-totals forward	**10,689,595**	9,897,908
Recreation and cultural services		
Community centers and halls	**65,314**	53,185
Other recreational facilities	**2,441,681**	2,338,551
Museums	**66,729**	56,032
Libraries	**164,671**	156,999
Amortization and accretion	**53,307**	51,223
	2,791,702	2,655,990
Total expenses	**$ 13,481,297**	$ 12,553,898

CITY OF DAUPHIN

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
December 31, 2025

	2025			2024
	General	**Utility**	**Total**	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	$ -	$ 2	**$ 2**	$ 187,223
Adjustments for reporting under public sector accounting standards				
Adjustments resulting in increase to surplus				
Eliminate expense - transfers to reserves	3,120,879	804,452	**3,925,331**	2,273,089
Eliminate expense - acquisitions of tangible capital assets	2,387,033	12,910,263	**15,297,296**	11,115,958
Eliminating entries between funds	35,227	(35,227)	**-**	-
Eliminating expense - principal portion of debenture debt	165,029	56,413	**221,442**	56,526
Increase revenue - accounting gain (loss) on sale of assets	155,305	-	**155,305**	(54,296)
Increase revenue - reserve funds interest	291,818	-	**291,818**	297,143
Adjustments resulting in decrease to surplus				
Increase expense - amortization of tangible capital assets	(1,563,193)	(838,091)	**(2,401,284)**	(2,426,040)
Increase expense - accretion of asset retirement obligations	(49,100)	(211,198)	**(260,298)**	(255,950)
Increase expense - property acquired from tax sale	(78,918)	-	**(78,918)**	-
Eliminate revenue - transfers from reserves	(2,409,530)	(1,066,747)	**(3,476,277)**	(2,418,075)
Eliminate revenue - debenture proceeds	-	(2,946,408)	**(2,946,408)**	(2,565,727)
Eliminate revenue - proceeds on sale of assets (net of tax title cost)	(185,250)	-	**(185,250)**	(9,204)
Net Surplus (Deficit) Unconsolidated	$ 1,869,300	$ 8,673,459	**$ 10,542,759**	$ 6,200,647
Surplus (Deficit) of Consolidated entities	305,021	-	**305,021**	908,626
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 2,174,321	$ 8,673,459	**$10,847,780**	$ 7,109,273