

TOWN OF TROCHU
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

TOWN OF TROCHU

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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**MANAGEMENTS' RESPONSIBILITY FOR
FINANCIAL REPORTING**

Management of the Town of Trochu is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the town's financial position as at December 31, 2025 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure the financial statements are presented fairly in all material respects.

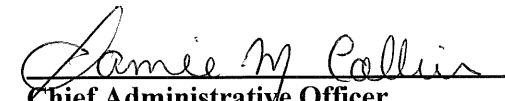
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, and assets are properly accounted for and safeguarded.

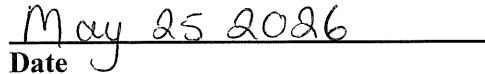
These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The town Council carries out its responsibilities for review of the financial statements principally through council meetings. Council meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The town Council has approved the financial statements.

The financial statements have been audited by Gitzel & Company, Chartered Professional Accountants, independent external auditors appointed by the town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the town's financial statements.


Chief Administrative Officer


Date



*Scott St. Arnaud, CPA, CA *Jolene P. Kobi, CPA, CA *Justin J. Tanner, CPA, CA
*Peggy Weinzierl, CPA, CA (Associate)

INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council
Town of Trochu

Qualified Opinion

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

Asset retirement obligations cannot be reliably determined at this time, so an adequate provision for these costs could not be recorded.

The Town holds a controlling interest in Trochu Housing Corporation and has chosen to account for this investment on a cost basis as opposed to a consolidated basis on these financial statements.

In our opinion, except for the effect of the adjustments which might have been determined to be necessary related to asset retirement obligations and the consolidation of Trochu Housing Corporation as described in the proceeding paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of the town as at December 31, 2025, the results of its operations, change in its net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified 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 the 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the town 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 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 controls.
- 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 purposes 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 the 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.

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.

Stettler, Alberta
May 25, 2026



CHARTERED PROFESSIONAL ACCOUNTANTS

TOWN OF TROCHU
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	Restated 2024
FINANCIAL ASSETS		
Cash and short term investments (Note 3)	\$ 475,394	\$ (1,166,535)
Taxes and grants in place of taxes receivables (Note 4)	452,730	350,250
Trade and other receivables	177,607	210,640
Due from Trochu Housing Corporation	13,105,747	3,764,708
Receivables from other governments (Note 5)	<u>909,641</u>	<u>94,337</u>
	<u>15,121,119</u>	<u>3,253,400</u>
 LIABILITIES		
Accounts payable and accrued liabilities	4,034,383	945,735
GST payable	38,356	83,585
Deposit liabilities (Note 6)	74,335	103,753
Deferred revenue (Note 7)	226,583	232,656
Employee benefit obligations (Note 8)	33,461	66,639
Short term loan payable (Note 9)	9,840,566	-
Long-term debt (Note 10)	<u>529,792</u>	<u>563,135</u>
	<u>14,777,476</u>	<u>1,995,503</u>
 NET FINANCIAL ASSETS (DEBT)	 <u>343,643</u>	 <u>1,257,897</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	12,529,677	10,521,888
Prepaid expenses	35,000	30,000
Land held for resale	<u>1,165,514</u>	<u>1,201,089</u>
	<u>13,730,191</u>	<u>11,752,977</u>
 ACCUMULATED SURPLUS (Schedule 1, Note 13)	 \$ <u>14,073,834</u>	 \$ <u>13,010,874</u>

Contingencies Note 16

APPROVED ON BEHALF OF THE TOWN COUNCIL:



Mayor

TOWN OF TROCHU

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	Restated 2024
REVENUES			
Net municipal property taxes (Schedule 3)	\$ 1,332,073	\$ 1,391,005	\$ 1,349,560
Government transfers for operating (Schedule 4)	389,321	398,680	386,023
Sales of goods and user fees	1,424,219	1,347,890	2,866,936
Investment income	1,000	25,859	346
Franchise and concession contracts	150,000	131,633	138,885
Penalties and costs of taxes	34,000	102,595	76,428
Licenses and permits	2,500	3,340	3,065
Gain on disposal of tangible capital assets	-	-	17,228
Rentals	30,760	48,368	34,955
Other	<u>4,600</u>	<u>153,822</u>	<u>97,776</u>
Total Revenue	<u>3,368,473</u>	<u>3,603,192</u>	<u>4,971,202</u>
EXPENSES (Schedule 5)			
Legislative	129,500	114,999	107,217
Administration	653,447	704,128	715,418
Fire, ambulance and bylaws enforcement	220,166	194,464	215,723
Transportation	716,518	660,415	757,344
Water supply and distribution	757,861	662,908	955,366
Wastewater treatment and disposal	104,108	132,063	124,118
Waste management	246,497	253,088	243,426
Family and community support	13,035	14,764	13,950
Public health & welfare	1,000	260	-
Subdivision land and development	233,150	306,122	443,938
Recreation and parks	307,061	275,094	537,836
Culture	<u>463,732</u>	<u>497,185</u>	<u>274,742</u>
Total Expenses	<u>3,846,075</u>	<u>3,815,490</u>	<u>4,389,078</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES – BEFORE CAPITAL REVENUE	<u>(477,602)</u>	<u>(212,298)</u>	<u>582,124</u>
CAPITAL REVENUE			
Government transfers for capital (Schedule 4)	<u>1,168,214</u>	<u>1,275,258</u>	<u>204,349</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 690,612</u>	1,062,960	786,473
ACCUMULATED SURPLUS – BEGINNING OF YEAR		<u>13,010,874</u>	<u>12,224,401</u>
ACCUMULATED SURPLUS – END OF YEAR		<u>\$ 14,073,834</u>	<u>\$ 13,010,874</u>

TOWN OF TROCHU

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	Restated 2024
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	\$ <u>690,612</u>	\$ <u>1,062,960</u>	\$ <u>786,473</u>
Acquisition of tangible capital assets	-	(2,448,755)	(257,081)
Disposal of tangible capital assets	-	-	65,116
Amortization of tangible capital assets	-	440,966	468,490
Use (Acquisition) of prepaid expenses	-	(5,000)	(4,507)
Use (Acquisition) of inventory for consumption	-	-	31,629
Sale (Acquisition) of land held for resale	-	<u>35,575</u>	<u>162,185</u>
	<u>-</u>	<u>(1,977,214)</u>	<u>465,832</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (DEBT)	690,612	(914,254)	1,252,305
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	<u>1,257,897</u>	<u>1,257,897</u>	<u>5,592</u>
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	\$ <u><u>1,948,509</u></u>	\$ <u><u>343,643</u></u>	\$ <u><u>1,257,897</u></u>

TOWN OF TROCHU

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	Restated 2024
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	\$ 1,062,960	\$ 786,473
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	440,966	468,490
Loss (gain) on disposal of tangible capital assets	-	(17,228)
Non-cash changes to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes receivables	(102,480)	(78,262)
Decrease (increase) in trade and other receivables	33,033	123,510
Decrease (increase) in receivables from other governments	(815,304)	(18,605)
Decrease (increase) in prepaid expenses	(5,000)	(4,507)
Decrease (increase) in land held for resale	35,575	162,185
Decrease (increase) in inventory for consumption	-	31,629
Increase (decrease) in accounts payable and accrued liabilities	3,088,648	641,078
Increase (decrease) in GST payable	(45,229)	97,372
Increase (decrease) in deposit liabilities	(29,418)	9,079
Increase (decrease) in deferred revenue	(6,073)	(188,306)
Increase (decrease) in employee benefit obligations	<u>(33,178)</u>	<u>9,608</u>
Net cash provided by (used in) operating activities	<u>3,624,500</u>	<u>2,022,516</u>
INVESTING ACTIVITIES		
Advances to Trochu Housing Corporation	<u>(9,341,039)</u>	<u>(3,445,772)</u>
Net cash provided by (used in) investing activities	<u>(9,341,039)</u>	<u>(3,445,772)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,448,755)	(257,081)
Proceeds on sale of tangible capital assets	<u>-</u>	<u>82,343</u>
Net cash provided by (used in) capital activities	<u>(2,448,755)</u>	<u>(174,738)</u>
FINANCING ACTIVITIES		
Repayment of long term debt	(33,343)	(26,938)
Short term loan advances	9,840,566	-
Decrease (increase) in restricted cash	<u>32,128</u>	<u>135,056</u>
Net cash provided by (used in) financing activities	<u>9,839,351</u>	<u>108,118</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	1,674,057	(1,489,876)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>(1,440,835)</u>	<u>49,041</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (Note 3)	\$ <u>233,222</u>	\$ <u>(1,440,835)</u>
CASH AND CASH EQUIVALENTS ARE MADE UP OF:		
Cash and short term investments (Note 3)	475,394	(1,166,535)
Less: Restricted portion of cash and short term investments (Note 3)	<u>(242,172)</u>	<u>(274,300)</u>
	\$ <u>233,222</u>	\$ <u>(1,440,835)</u>

TOWN OF TROCHU

SCHEDULE 1 – CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2025	Restated 2024
BALANCE – BEGINNING OF YEAR	\$ 261,307	\$ 2,344,092	\$ 10,405,475	\$ 13,010,874	\$ 12,224,401
Excess of revenues over expenses	1,062,960	-	-	1,062,960	786,473
Unrestricted funds designated for future use	(164,625)	164,625	-	-	-
Acquisition of tangible capital assets	(1,289,262)	(1,159,493)	2,448,755	-	-
Annual amortization expense	440,966	-	(440,966)	-	-
Long term capital debt repaid	(17,508)	-	17,508	-	-
Change in accumulated surplus	<u>32,531</u>	<u>(994,868)</u>	<u>2,025,297</u>	<u>1,062,960</u>	<u>786,473</u>
BALANCE – END OF YEAR	<u>\$ 293,838</u>	<u>\$ 1,349,224</u>	<u>\$ 12,430,772</u>	<u>\$ 14,073,834</u>	<u>\$ 13,010,874</u>

TOWN OF TROCHU

SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2025	Restated 2024
COST:								
BALANCE - BEGINNING OF YEAR	\$ 481,153	\$ 289,408	\$ 1,892,503	\$ 17,280,363	\$ 1,413,093	\$ 674,209	\$ 22,030,729	\$ 21,871,130
Acquisition of tangible capital assets	-	-	-	-	-	-	-	75,000
Construction-in-progress	-	-	-	2,448,755	-	-	2,448,755	182,081
Disposal of tangible capital assets	-	-	-	-	(14,772)	-	(14,772)	(97,482)
BALANCE - END OF YEAR	<u>481,153</u>	<u>289,408</u>	<u>1,892,503</u>	<u>19,729,118</u>	<u>1,398,321</u>	<u>674,209</u>	<u>24,464,712</u>	<u>22,030,729</u>
ACCUMULATED AMORTIZATION:								
BALANCE - BEGINNING OF YEAR	-	222,268	1,190,224	8,628,316	922,536	545,497	11,508,841	11,072,717
Annual amortization	-	5,830	38,748	283,070	76,443	36,875	440,966	468,490
Accumulated amortization on disposals	-	-	-	-	(14,772)	-	(14,772)	(32,366)
BALANCE - END OF YEAR	<u>-</u>	<u>228,098</u>	<u>1,228,972</u>	<u>8,911,386</u>	<u>984,207</u>	<u>582,372</u>	<u>11,935,035</u>	<u>11,508,841</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 481,153</u>	<u>\$ 61,310</u>	<u>\$ 663,531</u>	<u>\$ 10,817,732</u>	<u>\$ 414,114</u>	<u>\$ 91,837</u>	<u>\$ 12,529,677</u>	<u>\$ 10,521,888</u>
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 481,153</u>	<u>\$ 67,140</u>	<u>\$ 702,279</u>	<u>\$ 8,652,047</u>	<u>\$ 490,557</u>	<u>\$ 128,712</u>	<u>\$ 10,521,888</u>	

TOWN OF TROCHU

SCHEDULE 3 – PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
TAXATION			
Real property taxes	\$ 1,540,867	\$ 1,637,214	\$ 1,548,328
Linear property taxes	56,919	56,919	53,101
Government grants in lieu of property taxes	<u>4,339</u>	<u>4,339</u>	<u>12,095</u>
	<u>1,602,125</u>	<u>1,698,472</u>	<u>1,613,524</u>
REQUISITIONS			
Alberta School Foundation Fund	262,616	293,719	250,919
Kneehill Housing Corporation	<u>7,436</u>	<u>13,748</u>	<u>13,045</u>
	<u>270,052</u>	<u>307,467</u>	<u>263,964</u>
NET MUNICIPAL TAXES	<u>\$ 1,332,073</u>	<u>\$ 1,391,005</u>	<u>\$ 1,349,560</u>

SCHEDULE 4 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
TRANSFERS FOR OPERATING			
Provincial government	\$ 172,000	\$ 177,331	\$ 142,318
Federal government	27,400	42,623	15,022
Local government	<u>189,921</u>	<u>178,726</u>	<u>228,683</u>
	<u>389,321</u>	<u>398,680</u>	<u>386,023</u>
TRANSFERS FOR CAPITAL			
Provincial government	<u>1,168,214</u>	<u>1,275,258</u>	<u>204,349</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 1,557,535</u>	<u>\$ 1,673,938</u>	<u>\$ 590,372</u>

TOWN OF TROCHU

SCHEDULE 5 –EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	Restated 2024
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 1,382,264	\$ 1,357,473	\$ 1,377,580
Contracted and general services	450,137	411,869	505,809
Materials, goods, supplies and utilities	1,352,389	1,337,088	1,712,439
Provision for allowances	11,500	70,046	84,705
Transfers to other governments	72,141	69,855	64,053
Transfers to individuals, organizations and boards	42,500	93,889	34,282
Bank charges and short term interest	11,000	15,097	33,179
Interest on long term debt	64,881	19,457	22,985
Other expenses	-	(250)	85,556
Amortization of tangible capital assets	<u>459,263</u>	<u>440,966</u>	<u>468,490</u>
	\$ <u>3,846,075</u>	\$ <u>3,815,490</u>	\$ <u>4,389,078</u>

TOWN OF TROCHU

SCHEDULE 6 - SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2025

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal taxes	\$ 1,387,282	\$ 3,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,391,005
Government transfers - operating	72,123	61,335	11,429	-	-	63,765	190,028	398,680
Sales of goods and user fees	55,802	12,000	5,570	1,020,657	4,600	113,040	136,221	1,347,890
Investment income	25,859	-	-	-	-	-	-	25,859
Franchise and concessions	131,633	-	-	5,797	-	-	-	131,633
Penalties and cost of taxes	96,798	-	-	-	-	-	-	102,595
Licenses and permits	2,060	1,280	-	-	-	-	-	3,340
Rentals	1,429	-	-	-	-	-	46,939	48,368
Other revenues	6,459	805	-	-	-	143,048	3,510	153,822
	<u>1,779,445</u>	<u>79,143</u>	<u>16,999</u>	<u>1,026,454</u>	<u>4,600</u>	<u>319,853</u>	<u>376,698</u>	<u>3,603,192</u>
EXPENSES								
Contracted and general services	120,248	31,093	1,431	118,135	260	93,445	47,257	411,869
Salaries, wages and benefits	420,386	4,000	233,701	289,567	-	34,778	375,041	1,357,473
Materials, goods, supplies and utilities	168,869	62,505	212,247	506,900	-	88,805	297,762	1,337,088
Provision for allowances	69,267	-	-	779	-	-	-	70,046
Transfers to other governments	1,497	53,594	-	-	14,764	-	-	69,855
Transfers to local agencies	-	-	-	-	-	69,889	24,000	93,889
Bank charges and interest	15,097	-	-	-	-	-	-	15,097
Interest on long-term debt	-	-	-	-	-	19,457	-	19,457
Other expenses	-	-	-	-	-	(250)	-	(250)
	<u>795,364</u>	<u>151,192</u>	<u>447,379</u>	<u>915,381</u>	<u>15,024</u>	<u>306,124</u>	<u>744,060</u>	<u>3,374,524</u>
NET REVENUE - BEFORE AMORTIZATION	<u>984,081</u>	<u>(72,049)</u>	<u>(430,380)</u>	<u>111,073</u>	<u>(10,424)</u>	<u>13,729</u>	<u>(367,362)</u>	<u>228,668</u>
Government transfers – capital	-	-	196,803	1,057,455	-	21,000	-	1,275,258
Amortization of tangible capital assets	(23,764)	(43,272)	(213,037)	(132,679)	-	-	(28,214)	(440,966)
NET REVENUE	<u>\$ 960,317</u>	<u>\$ (115,321)</u>	<u>\$ (446,614)</u>	<u>\$ 1,035,849</u>	<u>\$ (10,424)</u>	<u>\$ 34,729</u>	<u>\$ (395,576)</u>	<u>\$ 1,062,960</u>

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are the representations of management prepared in accordance with generally accepted accounting principles for local government established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involving the use of estimates which have been made using careful judgement. Actual results could differ from those estimates.

A significant area requiring the use of management's estimates was the estimated useful life of tangible capital assets, their remaining useful life and the amortization expense for the year. Significant changes in the useful life of tangible capital assets could result in changes in asset valuation.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies adopted as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity which comprises all the organizations that are owned or controlled by the town and are, therefore, accountable to the council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of Accounting

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

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Realized and unrealized gains and losses are reported in the statement of operations.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

There is measurement uncertainty related to asset retirement obligations. Determining settlement amounts, discount rates and timing of settlement involves estimation. Changes to any of these estimates and assumptions may result in a change to the obligation.

(d) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

(e) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

(f) Contaminated Sites Liability

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 a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

(h) Pension Expenditure

The town participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

Contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

(i) Taxes and Grants in Place of Taxes Receivables

Current and arrears taxes and grants in place of taxes receivables consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

(j) Investments

Investments are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(k) Land for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

(l) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term, highly liquid investments with maturities of less than 6 months at the date of purchase.

(m) Allowances for Operating Assets

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the operating fund.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(n) Requisition Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(o) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability for an asset retirement obligation is recognized at an estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. These may include, but are not limited to, decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed; remediation of contamination of a tangible capital asset created by its normal use; post-retirement activities such as monitoring; and constructing other tangible capital assets to perform post-retirement activities.

The estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the town reviews the carrying amount of the liability. The town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(p) 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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) for the year.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development, improvement, betterment or retirement of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land improvements	10 - 45
Buildings	25 - 50
Engineered structures	
Roadway system	5 - 30
Water system	45 - 75
Wastewater system	45 - 75
Other engineered structures	5 - 75
Machinery and equipment	5 - 40
Vehicles	10 - 40

The annual amortization charge in the year of acquisition and in the year of disposal is pro-rated based on the number of days that the asset was owned during the year. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Inventories

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

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED

The following accounting standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. Management is currently evaluating the effect of adopting these standards on the financial statements.

(a) The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgement is applied. Effective for the fiscal years beginning on or after April 1, 2026.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED - Continued

(b) Section PS 1202 – Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 – Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

(c) Section PS3150 – Tangible Capital Assets

This section establishes guidance on the recognition and measurement for tangible capital assets. Effective for the fiscal years beginning on or after April 1, 2030.

3. CASH AND SHORT TERM INVESTMENTS

	2025	2024
Cash	\$ 475,394	\$ 131,141
Revolving line of credit	<u> -</u>	<u>(1,297,676)</u>
	\$ <u>475,394</u>	\$ <u>(1,166,535)</u>

Of the cash and temporary investments \$74,335 (2024 - \$103,753) is considered restricted cash and not available for general use as it relates to deposits received.

Of the cash, \$167,837 (2024 - \$170,547) is considered restricted cash and not available for general use as it relates to conditional government grant revenue and other conditional contributions that have not yet been expended for the purposes intended.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2025	2024
Current taxes and grants in place of taxes	\$ 294,564	\$ 254,323
Arrears taxes and grants in place of taxes	<u>402,346</u>	<u>283,414</u>
	696,910	537,737
Less: allowance for doubtful accounts	<u>(244,180)</u>	<u>(187,487)</u>
	\$ <u>452,730</u>	\$ <u>350,250</u>

5. RECEIVABLES FROM OTHER GOVERNMENTS

	2025	Restated 2024
Kneehill County	\$ 60,329	\$ 88,584
Alberta Municipal Sustainability Initiative – Capital	738,697	76,179
Province of Alberta – CCBF	<u>110,615</u>	<u>5,753</u>
	\$ <u>909,641</u>	\$ <u>170,516</u>

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

6. DEPOSIT LIABILITIES

	2025	Restated 2024
Trochu Food Bank	\$ 61,188	\$ 85,473
Land Sale Deposits	12,947	17,150
Utility Deposits	<u>200</u>	<u>1,130</u>
	<u>\$ 74,335</u>	<u>\$ 103,753</u>

7. DEFERRED REVENUE

	2025	2024
Alberta Community Partnership Grant	\$ 139,592	\$ -
Alberta Municipal Sustainability Initiative - Capital	-	84,986
Rural Economic Development Grant	14,796	65,561
Fire Department – Donations	48,563	40,206
Agri-Spirit Grant	9,449	20,000
Federal Accessibility Grant	-	11,573
Ace Project – Donation	4,876	4,876
Walking Trails Project – Donation	2,912	2,912
Choose Well Program Grant	1,916	1,916
TD Friends of the Environment – Spray Park Project	422	422
Lotto Club Contributions	57	204
AHC Grant	<u>4,000</u>	<u>-</u>
	<u>\$ 226,583</u>	<u>\$ 232,656</u>

8. EMPLOYEE BENEFIT OBLIGATIONS

	2025	2024
Vacation pay payable	\$ 33,461	\$ 36,386
Vested sick leave payable	<u>-</u>	<u>30,253</u>
	<u>\$ 33,461</u>	<u>\$ 66,639</u>

9. SHORT TERM LOAN PAYABLE

The Town has a non-revolving demand loan facility with ATB Financial with an approved limit of \$20,000,000. As of December 31, 2025, \$9,840,566 had been drawn down on this facility. This loan is being used to pay the construction costs of a seniors housing facility being constructed by Trochu Housing Corporation. Interest only payments at ATB Financial prime rate are due monthly and this loan is secured by a general security agreement from the Town of Trochu, an assignment of all rents and leases from the property, a guarantee from Kneehill County and a guarantee from Trochu Housing Corporation. This facility is available for 36 months after the initial draw and is reviewed annually.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

10. LONG TERM DEBT

	2025	2024
Tax supported debentures	\$ 430,887	\$ 446,722
Tax supported loans – capital (Note 12)	<u>98,905</u>	<u>116,413</u>
	<u>\$ 529,792</u>	<u>\$ 563,135</u>

Principal and interest repayments are as follows:

	Principal	Interest	Total
2026	\$ 32,334	\$ 16,960	\$ 49,294
2027	32,849	15,843	48,692
2028	33,380	14,710	48,090
2029	33,928	13,560	47,488
2030	34,493	12,393	46,886
Thereafter	<u>362,808</u>	<u>87,076</u>	<u>449,884</u>
	<u>\$ 529,792</u>	<u>\$ 160,542</u>	<u>\$ 690,334</u>

Debenture debt is repayable to the Alberta Capital Finance Authority in semi-annual payments of \$14,841 and bears interest at a rate of 3.127% per annum, maturing in June 2045. Debentures debt is issued on the credit and security of the Town of Trochu at large.

The ATB Financial municipal business loans are due on demand, bear interest at bank prime rate plus 0.3%, are repayable in annual principal payments of \$16,000 plus monthly interest payments and matures in November 2032.

11. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the municipality be disclosed as follows:

	2025	2024
Total debt limit	\$ 24,752,552	\$ 24,752,552
Total debt	<u>10,370,358</u>	<u>563,135</u>
Total debt limit available	<u>14,382,194</u>	<u>24,189,417</u>
Debt service limit	3,392,092	3,392,092
Debt service	<u>49,294</u>	<u>49,696</u>
Debt service limit available	<u>\$ 3,342,798</u>	<u>\$ 3,342,396</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

The Town has received permission on October 11, 2024 from Alberta Municipal Affairs to exceed its regulated debt limit and debt service limit. Debt limit has been approved up to \$24,752,552 expiring December 31, 2028 and debt service limit of \$3,392,092 expiring December 31, 2030.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets (Schedule 2)	\$ 24,464,712	\$ 22,030,729
Accumulated amortization (Schedule 2)	(11,935,035)	(11,508,841)
Long-term debt (Note 10)	<u>(98,905)</u>	<u>(116,413)</u>
	<u>\$ 12,430,772</u>	<u>\$ 10,405,475</u>

13. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2025	2024
Unrestricted surplus (deficit)	\$ 293,838	\$ 261,307
Restricted surplus:		
Administrative salaries	19,936	19,936
Administrative	400	400
Dr. Hay memorial fund	40,000	40,000
Fire	138,182	114,057
Future expenditures	98,549	98,549
General	533,974	533,974
Recognition and appreciation	2,286	2,286
Roads and streets	50,103	20,103
Snow removal	70,000	-
Subdivision land and development	-	1,156,493
Tax rate stabilization	13,185	13,185
Tree	1,000	1,000
Trochu golf irrigation	539	539
Waste management	217,000	197,000
Wastewater	9,723	9,723
Water	154,347	136,847
Equity in tangible capital assets (Note 12)	<u>12,430,772</u>	<u>10,405,475</u>
	<u>\$ 14,073,834</u>	<u>\$ 13,010,874</u>

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

14. SALARY & BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313\2000 is as follows:

	2025			2024
	Salary(1)	Benefits Allowances(2)	Total	Total
Mayor Kletke	\$ 15,325	\$ 1,130	\$ 16,455	\$ 19,491
Councillor Armstrong	12,075	846	12,921	14,388
Councillor Cunningham	10,485	291	10,776	11,297
Councillor De La Cruz	7,850	477	8,327	8,648
Councillor Lyver	-	-	-	10,079
Councillor Martel	7,850	477	8,327	11,618
Councillor Peterson	3,235	90	3,325	-
Councillor Reeds	11,025	754	11,779	13,162
CAO – Carl Peterson	100,367	19,565	119,932	139,860
CAO/Assistant CAO – Jamie Collins	84,575	13,617	98,192	-
Other designated officers (1 position)	\$ 17,746	\$ -	\$ 17,746	\$ 20,250

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

15. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Trochu participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 316,938 people and about 453 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Town of Trochu is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 11.65% for the excess. Employees of the Town of Trochu are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

15. LOCAL AUTHORITIES PENSION PLAN – Continued

Total current and past service contributions by the Town of Trochu to the Local Authorities Pension Plan in 2025 were \$66,832 (2024 - \$67,293). Total current and past service contributions by the employees of the Town of Trochu to the Local Authorities Pension Plan in 2025 were \$59,362 (2024 – \$59,716).

At December 31, 2024, the Plan disclosed an actuarial surplus of \$19.6 billion.

16. CONTINGENCIES

The Town of Trochu is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Trochu could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The town is a member of the Drumheller & District Waste Management Association. The town may be liable for a portion of future site reclamation costs if costs prove to be in excess of the Association's restricted surplus. An estimate of this amount cannot be made.

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

The town's financial instruments consist of cash, receivables, long term investments, accounts payable and deposit liabilities. In management's opinion these financial instruments are not exposed to significant interest rate or currency risks.

The town is exposed to various risks through its financial instruments. The following analysis provides a measure of the town's risk exposure and concentrations at the balance sheet date.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the town is not exposed to significant currency or other price risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the town provides services may experience financial difficulty and be unable to fulfill their

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

17. FINANCIAL INSTRUMENTS – Continued

obligations. The town has a concentration of credit it risk with one customer. The large number and diversity of taxpayers and customers minimizes the credit risk. The carrying value of accounts receivable reflects management's assessment of credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The town has fixed rate investments and long-term debt which are subject to fair value risk, as the value will fluctuate as a result of changes in market rates.

Operating Lines of Credit

At December 31, 2025 the town had a municipal revolving loan with an approved limit of \$1,488 000 (2024 - \$238,000) of which \$1,297,676 (2024 - \$ NIL) had been drawn down. The revolving loan bears interest at prime plus 1.0%.

18. SEGMENTED DISCLOSURE

The Town of Trochu provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police and fire. Transportation includes roads, streets, walks, lighting and airport. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls.

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

19. PRIOR PERIOD ADJUSTMENTS

The comparative period has been restated to remove the effects of the consolidation with Trochu Housing Corporation resulting in the following changes being made to the comparative figures for the year ended December 31, 2024.

STATEMENT OF FINANCIAL POSITION

	As Restated	As Previously Reported	Adjustment
FINANCIAL ASSETS			
Cash and short term investments	\$ (1,166,535)	\$ (712,056)	\$ (454,479)
Due from Trochu Housing Corporation	3,764,708	-	3,764,708
Trade and other receivables	210,640	222,647	(12,007)
Receivables from other governments	94,337	170,516	(76,179)
LIABILITIES			
Deposit liabilities	103,753	522,687	(418,934)
GST payable	83,585	-	83,585
NET FINANCIAL ASSETS (DEBT)	(2,299,495)	1,257,897	(3,557,392)
NON FINANCIAL ASSETS			
Tangible capital assets	10,521,888	13,989,901	(3,468,013)
ACCUMULATED SURPLUS	\$ 13,010,874	\$ 12,921,495	\$ 89,379

STATEMENT OF OPERATIONS

EXPENSES			
Public health & welfare	188,350	186,099	2,251
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	786,473	788,724	(2,251)

SCHEDULE 5 – EXPENSES BY OBJECT

EXPENDITURES			
Transfer to individuals, organizations and boards	\$ 34,282	\$ 32,031	\$ 2,251
TOTAL EXPENDITURES	\$ 4,389,078	\$ 4,386,827	\$ 2,251

TOWN OF TROCHU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

20. BUDGET AMOUNTS

Budget figures for the year ended December 31, 2025 are for information purposes only and have not been audited.

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management approved these financial statements.