



ANNUAL REPORT

TOWN OF COALDALE

ALBERTA

FOR THE YEAR ENDED
DECEMBER 31,

2022





Land Acknowledgement

We respectfully acknowledge that we are on Treaty 7 territory, traditional lands of the Blackfoot Peoples of the Canadian Plains; and pay respect to the Blackfoot Peoples' past, present, and future while recognizing their cultural heritage, beliefs, and relationship to the land. We also acknowledge we are home to the Metis Nation of Alberta, Region III.



**2022 Annual Report
For the Year Ended December 31, 2022**

**Town of Coaldale
#200, 1801 – 20th Avenue
Coaldale, Alberta, T1M 1N1
www.coaldale.ca**



The 2022 Annual Report was prepared by the Corporate Services Department. A special thanks to all the staff involved for their contributions.

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Message from the Mayor



“Civic Square – which was recently given the Blackfoot name “Sun Lodge” – stands as a testament to our commitment to providing efficient and accessible services to our community.”

Jack Van Rijn - Mayor

On behalf of Coaldale Town Council, I am pleased to introduce the Town of Coaldale’s 2022 Annual Report. In keeping with Coaldale’s commitment to financial transparency, this report is designed to provide Coaldale residents, businesses, prospective investors, and other stakeholders with an easy-to-read overview of Coaldale’s 2022 financial performance. At the same time, this report brings into focus all the hard work that our Town Administration and our Council have done over the past year to make sure that Coaldale remains a fiscally responsible, cost-conscious municipality.

First off, I am thrilled to announce that our new Town Office and Council Chambers is now officially open for business. Civic Square – which was recently given the Blackfoot name “Sun Lodge” – stands as a testament to our commitment to providing efficient and accessible services to our community. It will serve as a central hub for civic engagement, decision-making, and collaboration between our dedicated council members and the residents they represent. I extend my heartfelt gratitude to all those involved in bringing this project to fruition.

Another noteworthy achievement to report is the completion of our approximately \$12 million Wastewater Lagoon Facility Upgrades project. Beyond bringing the Town’s wastewater system into compliance with the most recent effluent regulations adopted by both the federal and provincial government, this significant investment into Coaldale’s wastewater infrastructure ensures that the Town will have enough wastewater capacity to meet the growing needs of our population and commercial and industrial sectors for decades to come.

A third and ongoing capital project that I would like to touch on are the various improvements being made to the Coaldale Pool. During the September 26, 2022, Regular Council Meeting, Coaldale Town Council voted to approve \$495,000 in funding for a pool liner replacement and several other upgrades including deck furniture, a new access ramp for patrons with mobility issues and – last but not least – waterslides that can eventually be relocated to a new aquatic facility, once funding for construction has been secured. Thankfully, we were able to get the pool liner replaced before the 2023 swim season, and I am happy to report that the waterslides will be installed in time for summer 2024.

Another ongoing project that I want to briefly remind our residents about is the Town’s Joint Multi Use Recreation Facility and High School, which, once complete, will stand as a showcase for recreation, sports and special events in Southern Alberta as well as serve as a hub for the local community. Slated to open in spring 2024, programming will be designed to attract participation from all ages and will consist not only of activities directed toward enhancing people’s quality of

life but also of activities directed toward growing Coaldale's economic prosperity. The facility will accommodate a variety of activities including pickleball, indoor soccer, lacrosse, basketball, volleyball, badminton, and squash. It will also have a walking/running track, fitness centre with weightlifting and cardio equipment and will offer both daycare and before/after school programming.

Finally, I am excited to share that in the coming months, we will begin redeveloping the outdoor space between the Coaldale Library and Civic Square. This project – otherwise known as Phase 3 of the Civic Square Project – aims to transform the area into a vibrant community gathering space, promoting social interaction, and fostering a sense of belonging among our residents. We envision a place that celebrates art, culture, and recreation, where families and friends can come together to create lasting memories.



Looking back on 2022, I am proud of what our Council and Town staff have managed to accomplish, especially while contending with the financial realities of high inflation. Thankfully, our diligent financial planning and prudent management have allowed us to provide essential services and maintain a high standard of living for our residents, while keeping the burden on taxpayers as minimal as possible. As we move forward into the future, let us embrace the opportunities that lie ahead, working hand in hand to build a stronger, more vibrant Coaldale. Together, we can overcome any challenges and create a community that we are all proud to call home.

Best regards,



Jack Van Rijn
Mayor
Town of Coaldale

Town Council 2021 - 2025

The Town of Coaldale is an emerging community located in the heart of Southern Alberta. With a variety of recreational facilities and a diversity of amenities and tourist attractions, our municipality combines the benefits of small town living with the service provision of larger urban centres. As Council, our mission is to ensure that Coaldale continues to be a preferred place to live, work and play. Whether you're a developer or business owner seeking the "Coaldale Advantage," a prospective home buyer looking for a friendly neighbourhood, or a couple looking to retire, our community has something for everyone. If you're new to town, or simply visiting for the weekend, we encourage you to stay a little longer.



*Mayor
Jack Van Rijn*



*Councillor
Jacen Abrey*



*Councillor
Dale Pickering*



*Councillor
Bill Chapman*



*Councillor
Jason Beekman*



*Councillor
Jordan Sailer*



*Councillor
Lisa Reis*

Town Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a four-year term and governs in accordance with powers granted under the *Municipal Government Act* (MGA) that provides a broad spectrum of powers and duties for Council members and Administration. The last municipal election took place in October 2021. Council meetings are held at 5:00 pm on the second and fourth Monday of each month, with the exception of July, August and December.

Coaldale's Strategic Plan

The 2021-2025 Strategic Plan came together after an extensive public consultation process that included gathering feedback from residents. As a result, Council was able to design and adopt a plan that truly reflects the vision and priorities of Town residents and that identifies six (6) areas of focus:

- **Public Safety**
- **Recreation**
- **Service Excellence**
- **Community Growth and Economic Prosperity**
- **Relationships**
- **Community Experience**

Coaldale's Strategic Plan



Public Safety

We believe that people being and feeling safe is reinforced through visible and high quality public safety services.

AREAS OF FOCUS

- Ensure strong collaboration between the Town's Community Peace Officer Program and the RCMP to ensure community policing remains a key focus
- Explore opportunities to empower our residents to support community safety
- Continue to focus on pedestrian safety
- Demonstrate our pride and commitment to our dedicated Fire and Emergency Services Department by providing them the resources to maintain elite status



Recreation

We will actively enhance our recreational assets to ensure that all residents – regardless of age, interest or ability – can be healthy and connected.

AREAS OF FOCUS

- Open the doors to our exceptional recreation centre to serve residents of all ages and abilities, and embrace opportunities to showcase the Town through future events
- Support major recreational events driven by the community to attract visitors, to enhance community pride and provide fuel to our economy
- Balance our community desire for new and improved amenities, with their expectation of fiscal accountability through inclusive decision making (pool/ice)



Service Excellence

We will ensure our residents receive professional, accountable and financially and environmentally sustainable service delivery and infrastructure management.

AREAS OF FOCUS

- Communicate with our residents around key service levels
- Prioritize the maintenance of our road and sidewalks systems, and water, wastewater, and stormwater utilities
- Continue to deliver waste collection services in an efficient, convenient and environmentally beneficial manner
- Ensure robust financial planning and asset management practices are in place to support effective, responsible and sustainable infrastructure-related decision making
- Be diligent in our management of large scale utility infrastructure

Coaldale's Strategic Plan



Community Growth and Economic Prosperity

We believe Coaldale is a vibrant, innovative, and attractive place for commerce to thrive and will continue to build on our momentum.

AREAS OF FOCUS

- Identify strategies to support Town businesses in achieving economic health
- Proactively facilitate diverse housing options to ensure Coaldale is inclusive for all demographics while providing housing options that allow residents to age-in-place
- Focus on creating a collaborative and regulatory environment (reducing unnecessary red tape) that attracts businesses to Coaldale
- Actively facilitate a diversity of housing options so our small town is welcoming to residents of all kinds (age in place?)
- Actively pursue funding sources and partnerships to enable our community and economic growth
- Continue to work with Birds of Prey as key tourism amenity



Relationships

We recognize that strong relationships and meaningful dialogue are key to good governance and decision making processes, and that the Town is strengthened by working collaboratively with those we serve and partner with.

AREAS OF FOCUS

- Focus on deliberate and meaningful two-way engagement with our residents
- Maintain our connections at the regional, provincial and federal level to ensure the interests of our residents are heard
- Work collaboratively with our valuable community not-for-profits to build capacity and enhance the quality of life for residents
- Continue to explore opportunities to enhance service/reduce costs, and to attract investment, by partnering on projects with the public and private sector
- Recognize the value of our exceptional staff as core to our delivery of services to residents
- Reinforce 'good governance' principles by making fact based decisions at the Council Table through the values of visibility, openness and respect



Community Experience

We support creating connections and design our events and community spaces to be welcoming, accessible and a point of pride, to allow people to maintain and strengthen our small town feel and values.

AREAS OF FOCUS

- Continue to facilitate and organize memorable and accessible community events to allow our residents to connect with each other and the Town
- Improve the quality of existing greenspaces to enhance the experience of our residents
- Continue to revitalize our downtown core to ensure it is a memorable and vibrant gathering space that serves as a destination for residents and visitors
- We recognize that communities are richer for their diversity, and are committed to ensuring all public spaces and events are friendly, safe and inclusive

Message from the Chief Administrative Officer



On behalf of Town staff, I am pleased to present the Town of Coaldale's 2022 Annual Report. For the 5th consecutive year, our dedicated finance team has produced a report that once again reflects the Town's commitment to financial transparency, providing residents, businesses, and potential investors with an up-to-date overview of the Town's financial performance.

One of the highlights of our year was the successful move into our new home, Civic Square, which houses the new Town Office and Council Chambers. This endeavor was not only a significant milestone in our Town's history but also a testament to the cooperative and collaborative spirit that runs deep within our staff. It was truly remarkable to witness our team coming together, stepping up, and working tirelessly to ensure a smooth transition into this unique and historic location. I commend each and every member of our staff for their commitment and hard work, which made this move possible.

Furthermore, I am delighted to share that Coaldale is swiftly emerging as a sought-after destination for investment. Our business community continues to thrive and grow, and it is with immense pride that I report the complete sale of our Industrial Park. This achievement serves as a shining example of the confidence investors have in our Town and the opportunities that exist within our borders. We are committed to nurturing and supporting this growth, fostering an environment that attracts businesses and promotes economic prosperity.

The success of our Industrial Park is a direct result of the collaborative efforts between the Town and the business community. We recognize the importance of building strong partnerships and providing a supportive framework for businesses to thrive. Through ongoing dialogue, engagement, and tailored support, we aim to foster an environment that encourages innovation, entrepreneurship, and job creation.

“Looking ahead, we remain steadfast in our commitment to providing excellent services, supporting sustainable growth, and nurturing the well-being of our community.”

Kalen Hastings – Chief Administrative Officer

As we celebrate these accomplishments, it is important to acknowledge that none of this would have been possible without the support and trust of our residents and stakeholders. Your engagement and belief in our shared vision have been instrumental in shaping Coaldale into the vibrant and prosperous town it is today.

Looking ahead, we remain steadfast in our commitment to providing excellent services, supporting sustainable growth, and nurturing the well-being of our community. We will continue to invest in our staff, empowering them with the necessary resources and training to effectively meet the evolving needs of our residents and businesses.

In conclusion, I would like to express my heartfelt gratitude to our dedicated Town staff, whose unwavering commitment and collaboration have made our move into Civic Square a success. I am honored to work alongside such talented individuals who consistently go above and beyond to serve our community. Together, we will continue to build on our achievements and work towards an even brighter future for Coaldale.

Thank you all for your continued support and trust in our administration.

Sincerely,



Kalen Hastings, M.A.
Chief Administrative Officer



2022 Coaldale Summerfest - Candy Parade

Coaldale Town Council

As of June 2023

Chief Administrative Officer
Kalen Hastings

Municipal Clerk

Chief Financial Officer & Deputy CAO

Kyle Beauchamp

- Corporate Services Manager
 - Utilities Specialist
 - Property Tax Specialist
 - Accounts Payable Specialist
- Asset Manager

Director of Operations

Justin MacPherson

- Public Works Supervisor
 - Public Works Foreman
 - Public Works Lead Hand
 - Public Works Operator x2
 - Public Works Labourer
 - Fleet Services Foreman
 - Mechanic
- Utilities Supervisor
 - Utilities Foreman
 - Utilities Operator x3
- Manager of Infrastructure
 - Project Manager
 - Project Coordinator
- Safety Advisor

Director of Recreation and Community Services

Russ Tanner

- Manager of Recreation and Parks
 - Recreation and Facilities Foreman
 - Recreation Lead Hand
 - Recreation Operator x2
 - Parks and Landscape Foreman
 - Parks Lead Hand
 - Arborist
 - Parks Operator
- Community Services Coordinator
- Client Services Coordinator

Director of Growth and Investment

Cameron Mills

- Manager of Government Relations
- Manager of Development Engineering
- Senior Planner

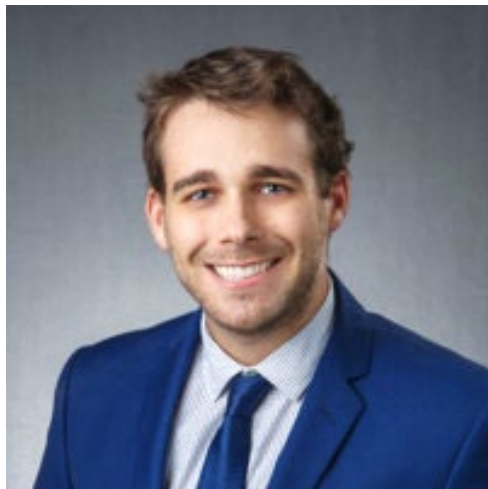
Director of Protective Services & Fire Chief

Clayton Rutberg

- Deputy Fire Chief
 - Fire Training Officer
 - Fire Prevention Officer x2
- Manager of Community Policing
 - CPO I Bylaw Officer x2
 - CPO II Bylaw Officer
- Emergency Services Coordinator

Report from the Chief Financial Officer

The 2022 Annual Report for the Town of Coaldale provides clear and transparent information to Town citizens, businesses, and other stakeholders, detailing the Town's financial performance for the year. This report also provides insight into some of the Town's innovations and accomplishments for 2022, as well as some of our major financial policies, current economic climate, and future challenges.



“A total of \$15.5 million was invested in tangible capital assets in 2022 (2021 - \$16.9 million).”

Kyle Beauchamp – Chief Financial Officer & Deputy CAO

The Town maintains a system of internal accounting controls designed to provide reasonable assurance for the safeguarding of assets and the reliability of financial records. These controls are subject to regular reviews and revisions as required. The Town's elected Council reviews and formally approves the audited financial statements after the Independent Auditors' Report and financial statements have been presented by the

Town's appointed auditor at a public Council meeting.

The financial statements of the Town of Coaldale are prepared in accordance with Section 276 of the *Municipal Government Act* (MGA) of the Province of Alberta. These financial statements are representations of management which are prepared in accordance with Canadian Public Sector Accounting Standards. The Town's auditor, Avail LLP, has audited the 2022 financial statements and their Independent Auditors' Report is included in this Annual Report.

Financial Position

The Statement of Financial Position represents the Town's equity as of December 31, 2022. Equity consists of the excess of assets over debt and other liabilities.

Financial Assets

Financial assets represent the Town's liquid assets or assets that can become liquid within a period of one year. This includes cash, investments, accounts receivable and land held for resale. Overall, the Town's financial assets decreased from \$34.2 million in 2021 to \$29.5 million in 2022, for a net decrease of \$4.7 million. Cash and investments (totaling \$26.3 million) decreased by \$5.0 million from the previous year as funding allocated for capital construction was spent. Taxes, utilities, and other trade amounts receivable increased by \$0.3 million, largely due to timing variances in the collection of payments. In accordance with Canadian Public Sector Accounting Standards, an allowance for uncollectable accounts receivable must be recorded in the financial statements. This allowance remained unchanged in 2022 at \$0.1 million.

Financial Liabilities

Financial liabilities for the Town decreased from \$26.8 million in 2021 to \$25.3 million in 2022, for a net decrease of \$1.5 million. Deferred revenue decreased by \$2.0 million in the year, to a total balance of \$2.8 million. The Town's deferred revenue largely represents government transfers for capital expenditures (otherwise known as capital grants) to which the funds have been received by the Town, but not yet spent on the corresponding capital expenditure. This reduction means the Town invested more of the grant dollars we have received into our capital infrastructure. The funds in deferred revenue largely relate to amounts from the Canada Community-Building Fund (\$1.1 million) and the ACRP Grant Program (\$1.1 million). A total of \$5.0 million related to government transfers for capital expenditures was received in the year, and \$7.1 million was spent on eligible capital expenditures.

Accounts payable and accrued liabilities decreased from \$6.4 million in 2021 to \$4.3 million in 2022. This is due to the timing of payments for ongoing capital projects, a reduction in construction hold-back payments payable, and a decrease in trade payable at year-end. Deposit liabilities decreased by \$0.3 million to a total of \$0.2 million, due to a sub-division deposit paid back in the year.

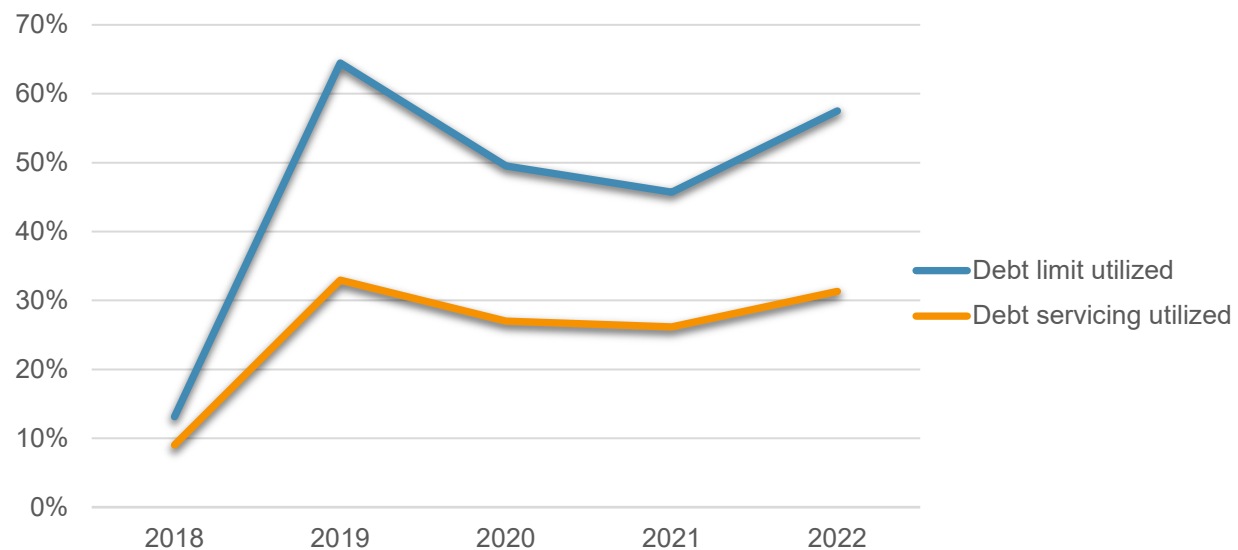
Long-term debt increased from \$14.8 million in 2021 to \$17.7 million in 2022. The change consists of \$1.2 million in debt repaid in the year and \$4.0 million in long-term debt acquired for the Aerated Lagoon upgrades.



Net Financial Assets

Net financial assets show the Town's ability to finance activities and to meet liabilities and contractual obligations. It is calculated by deducting financial assets from financial liabilities.

In 2022, net financial assets decreased to \$4.2 million (\$7.4 million in 2021). This decrease represents the net use of current assets required to fund capital expenditures (non-financial assets).



Non-Financial Assets

Non-financial assets consist of tangible capital assets, prepaid assets, inventory held for consumption and land held for sale (expected to be sold in a period exceeding one year). Total non-financial assets increased to \$137.5 million in 2022, compared to \$125.6 million in 2021.

A total of \$15.6 million was invested in tangible capital assets in 2022 (2021 - \$16.9 million). Below is a summary of the top dollar capital projects from 2022:

- Multi-use recreation centre - \$5.6 million
- Civic Square - \$5.1 million
- Aerated lagoon upgrades - \$4.0 million
- Vehicles & machinery - \$0.4 million
- Pathways and trail network - \$0.2 million

The additions to tangible capital assets are offset by amortization and disposal of assets. Amortization totaled \$3.4 million in 2022 (2021 - \$3.2 million), and the net disposal of tangible capital assets amounted to \$0.1 million.

Other assets (\$3.1 million) and inventory held for consumption (\$0.3 million) remain at relatively consistent levels from 2021.

Accumulated Surplus

The accumulated surplus is a balance representing the net economic resources and assets that the Town of Coaldale has accumulated over time. This consists of unrestricted and restricted surplus, and the equity in tangible capital assets. Information related to the accumulated surplus can be found on Schedule 1 – Schedule of Accumulated Surplus, within the Audited Financial Statement section of this report.

The Town's accumulated surplus grew by 6.48% in 2022 (2021 – 9.26%), up from \$133.0 million in 2021 to \$141.6 million in 2022.

During the year, transfers into and from the Town's restricted surplus led to a net decrease of approximately \$0.9 million, with the year-end figure totalling \$22.5 million. The decrease is due to restricted funds allocated to capital projects that were constructed in the year, that were over and above funds allocated for future savings. All changes in restricted surplus are approved by Town Council.



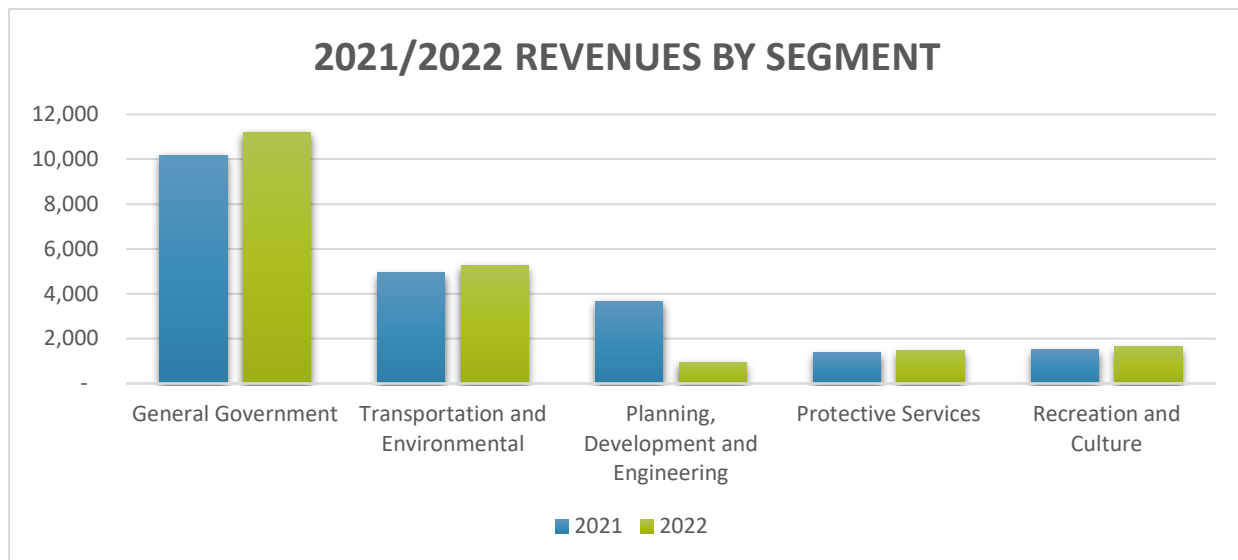
2022 Fall Community Meetup & Registration

Financial Operations

The Statement of Operations and Accumulated Surplus represents revenues earned by the Town and expenses incurred by providing municipal services.

Revenues

In 2022, the Town of Coaldale had operating revenues of \$20.5 million, compared to \$21.7 million in 2021. Although revenue sources experienced slight increases across the board, this was offset by a significant decline in commercial land development sales in the Town's NE Industrial Park (\$3.4 million in 2021 to \$1.0 million in 2022). This was expected due to supply constraints resulting from the Town's NE Industrial Park nearing capacity during the year.



Municipal tax revenue increased from \$9.2 million in 2021 to \$9.5 million in 2022. Town Council approved a 0.56% and 4.16% increase to residential and non-residential properties in 2022, respectively.

User fees and sales of goods and services represents revenue largely from utilities, rent, and user fees for public facilities (arena, pool, etc.) and events. Net revenue in this category increased from \$5.9 million in 2021 to \$6.2 million in 2022. Aside from a \$6.97/month increase to the sewer flat charge, utility rates did not change in 2022 and revenues remained relatively stable compared to 2021, increasing overall by \$0.2 million. The additional increase in this category of revenue can be attributed to user fees from public facilities such as the Coaldale Pool, Hub, and Arena. Most of these user fee rentals were near full capacity in 2022, compared to reduced capacity in 2021 due to the Covid-19 pandemic.

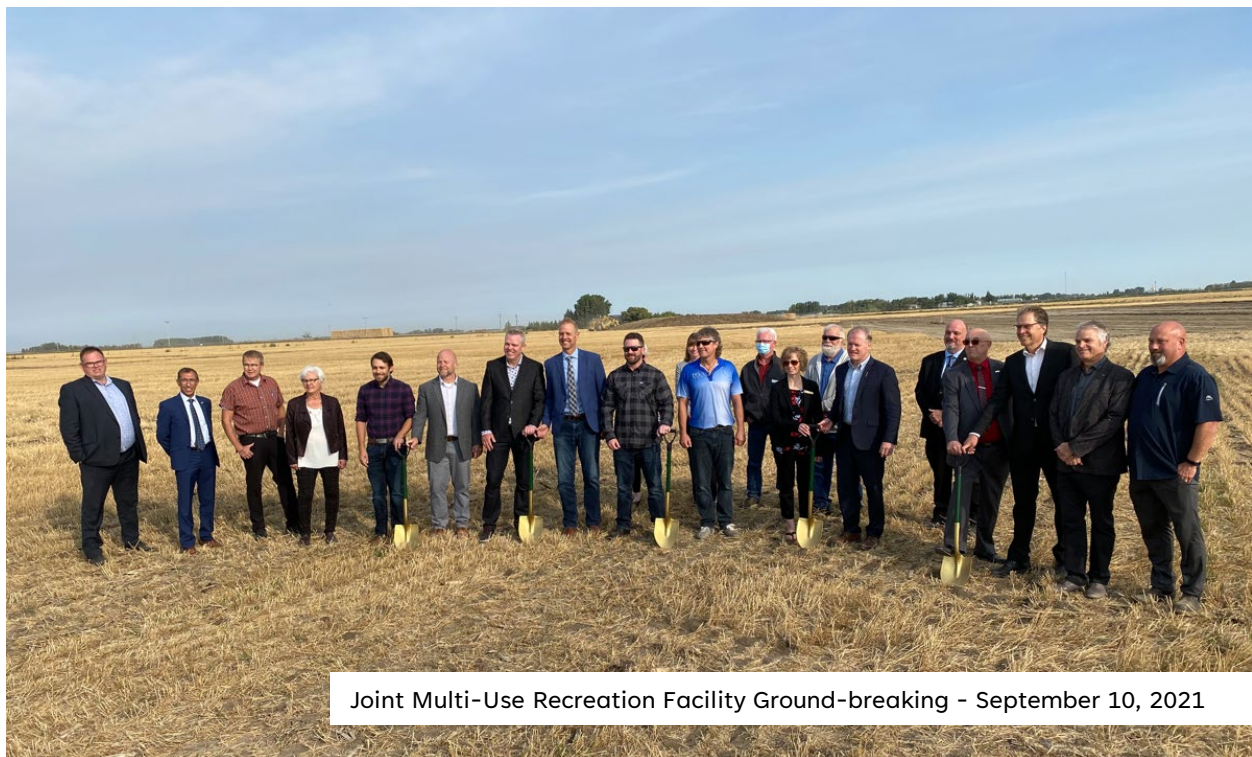
Revenue from fines and penalties was \$0.7 million in 2022 (2021 - \$0.6 million). Most of the increase in this revenue category is split between tax arrears interest and additional revenue generated from photo radar and traffic fines in the year.

Investment income increased to \$0.4 million in 2022 from \$0.3 million in 2021. The bank prime interest rate increased throughout 2022 (2.45% to 6.45% by Dec 2022) as the Canadian economy continued its transition from a pandemic recovery-driven state to normality in 2022. This attributed to the higher interest income earned by the Town.

Government transfers (grants) related to operating activities totalled \$0.7 million in 2022, increasing from \$0.6 million in 2021. The increase relates to two provincial master plan grants and FCM's second round of MAMP funding. This increase in grant funding was offset with higher associated expenses.

Licences, permits and fee revenue was consistent with 2021 at \$0.3 million in 2022. Business licences and subdivision fees realized slight increases in the current year.

Other revenue in 2022 of \$0.7 million largely consist of fundraising revenue from the Coaldale Strong Campaign (Coaldale Multi-Use Recreation Facility).

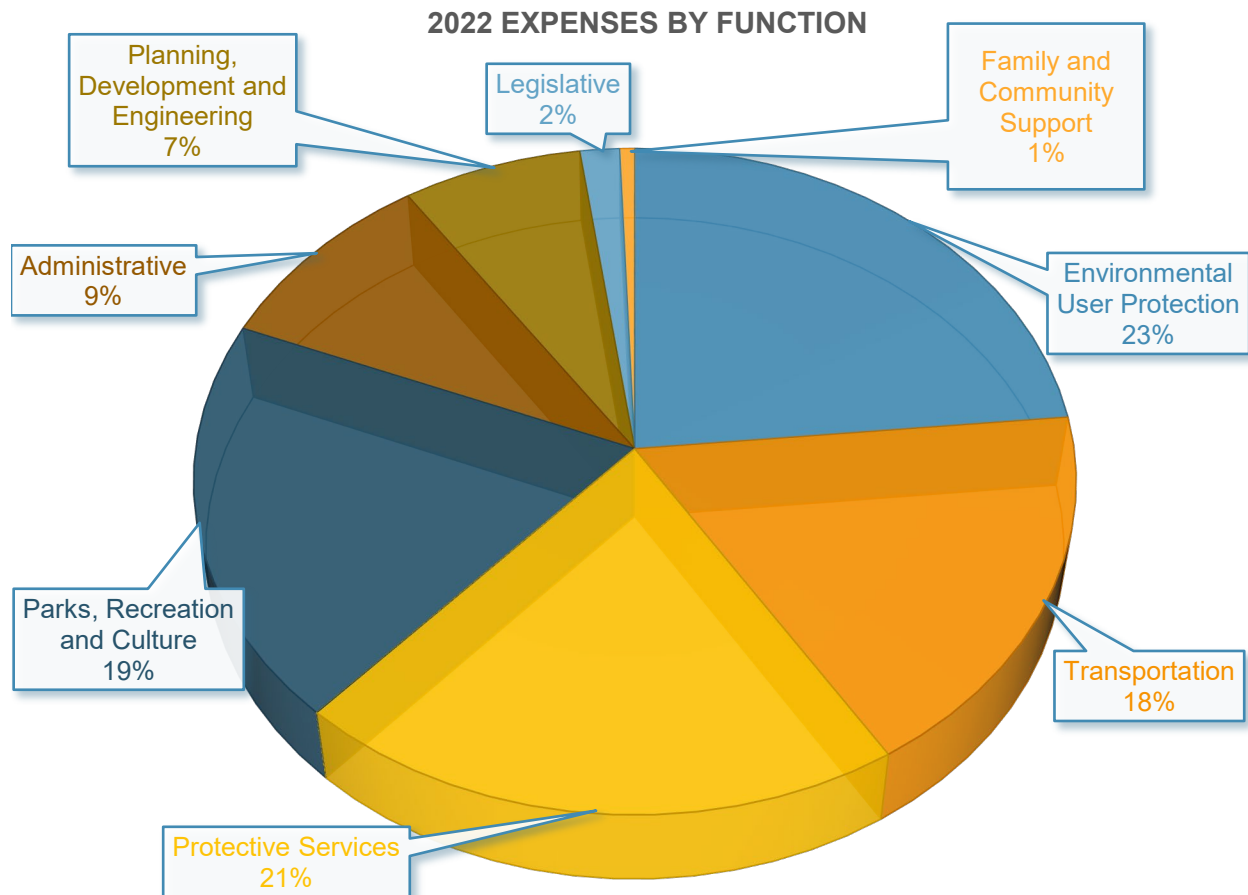


Government transfers related to capital are funds spent on tangible capital assets. The fluctuation of this revenue often depends on the timing and completion of the capital projects to which the funding is allocated. In 2022, this revenue totalled \$7.1 million and was largely related to the Multi-Use Recreation Facility (\$3.6 million), Civic Square (\$2.7 million) and the Aerated Lagoon Upgrade (\$0.7 million).

Contributed tangible capital assets was \$0.1 million in 2022 (2021 - \$0.1 million). This revenue is an inconsistent source of revenue. In 2022, revenue consisted of a shelter at the Mountain Bike Park and contributions towards two vehicles for Fire & Emergency Services.

Expenses

The Town incurs expenditures for work performed by employees, vendors, and contractors in the delivery of municipal services. These expenditures are subject to inflationary pressures which increase the costs associated with delivering programs and services.



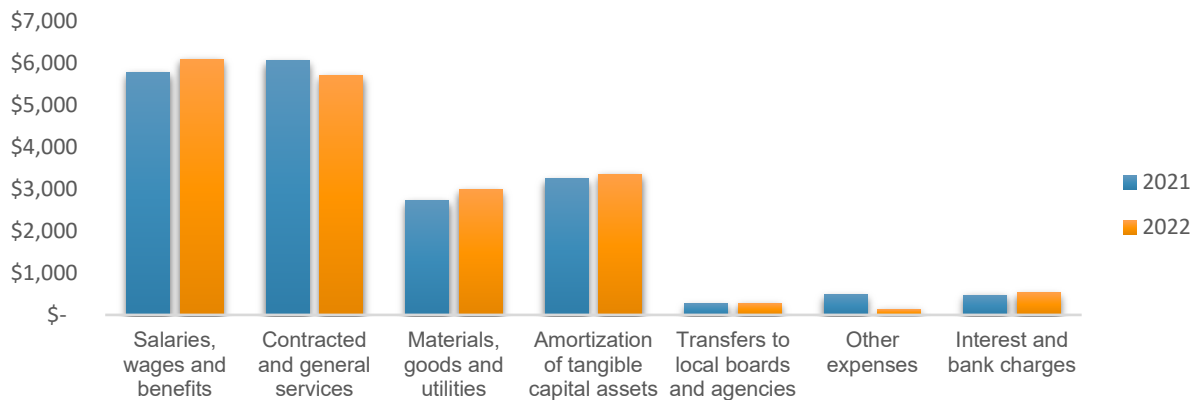
Operating expenses of \$19.1M in 2022 (2021 - \$19.0M) were consistent with the budget and came in approximately 1.5% under the approved budgeted of \$19.4M.

Variances of actual operating expenses to budgeted amounts are as follows:

- \$0.2M higher in Parks, Recreation and Culture due to emergency repairs at the Curling Rink (ice plant refrigeration system) and Centennial Park (main irrigation pump), additional spraying for Parks, and increased contracted services in Community Services to offset staff vacancies.
- \$0.1M higher in Protective Services due to higher than anticipated RCMP officer costs.
- \$0.1M higher in Administrative, Legislative, and Family and Community Support due to equipment and furnishings purchased for Civic Square offset partly by lower-than-expected professional fees in the year.

- \$0.2M lower in Transportation due to fewer snow events in the year resulting in less contracted services required for snow removal, and personnel cost savings due to staff vacancies and fewer callouts.
- \$0.1M lower in Environmental User Protection due to lower water consumption in the year, lower levels of contracted services required in utilities operations, and loss on disposal of wastewater equipment.
- \$0.1M lower in Planning, Development and Engineering due to rising interest rates on long-term debt and personnel cost savings due to staff vacancies which is only partly offset by contracted services.

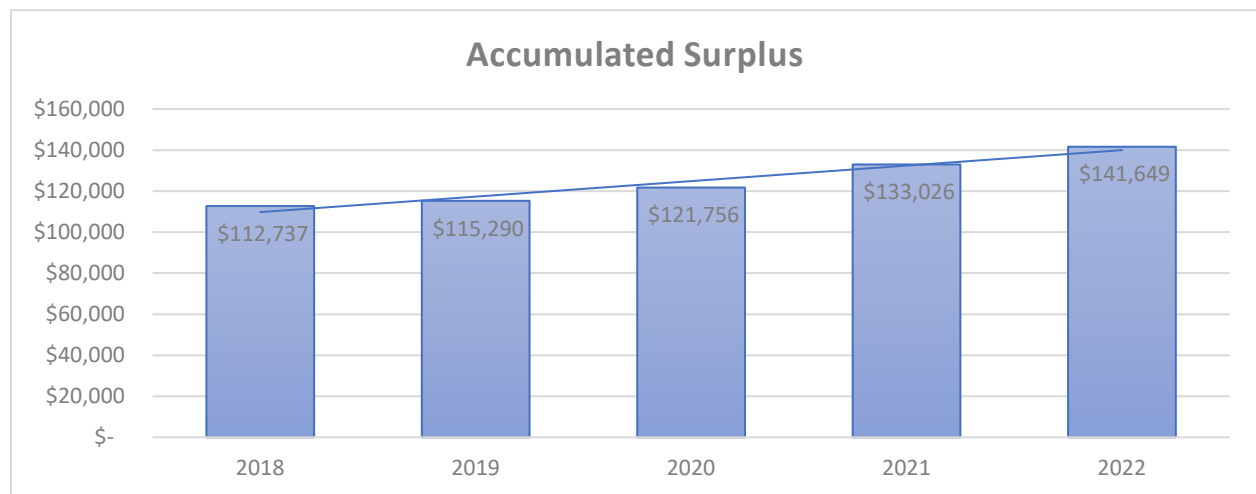
2021/2022 EXPENSES BY OBJECT



Annual Surplus

The annual surplus is the difference between the current year's excess of revenues over expenditures.

The Town's annual surplus in 2022 before contributions and transfers relating to capital was \$1.4M (2021 - \$2.6M). When including capital activity, the Town's annual surplus was \$8.6M in 2022 (2021 - \$11.3M) and budgeted at \$6.8M.



Financial Management and Control

Town of Coaldale’s management is responsible for the preparation of the financial statements, procedures and internal control mechanisms. The Town maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the assets of the Town are properly accounted for and adequately safeguarded. Further to that, Town Council has adopted long-term financial policies to affect good governance, transparency, and fiscal responsibility.

Financial Policies

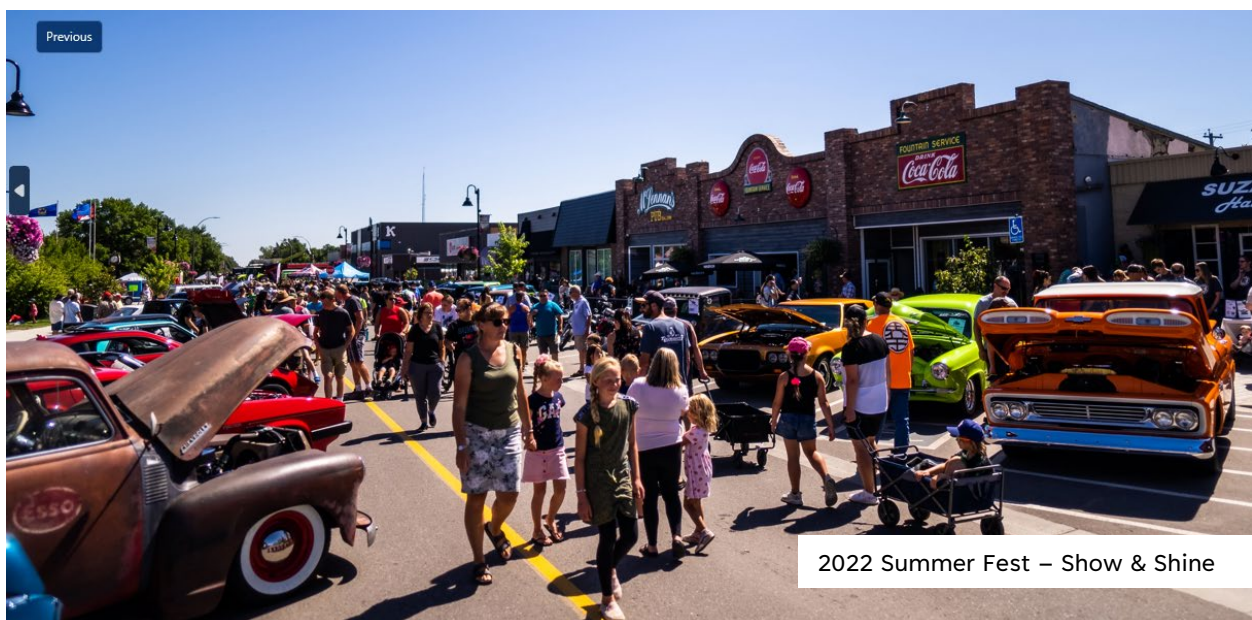
Cash and Investment Management Policy

The purpose of this policy is to establish objectives and limits for investment of funds held by the Town. Investments are limited to those permitted by the *Municipal Government Act*. Safety of capital is the primary objective of the investment program. Investments of the Town are to be undertaken in a manner that seeks to maintain the safety of investment principal by mitigating credit risk and interest rate risk. This policy is reviewed annually to ensure that it remains consistent with the overall objectives of the Town and that prudent and conservative investment practices are being followed.

Tendering & Purchasing Policy

The Town’s tendering and purchasing policy provides a framework for the expenditure of public funds. This policy aligns with Town Council’s vision of fairness, openness, and transparency. It also achieves compliance with relevant legislation.

The Town of Coaldale recognizes the potential for budget over-expenditures and lack of accountability if adequate controls and policies are not in place. In that regard, this policy includes a section that provides spending authorities and limits with the objective of being an “authority’s guide”.



2022 Summer Fest – Show & Shine

Tangible Capital Assets Policy

The purpose of this policy is to provide direction for recognizing and recording Tangible Capital Assets (TCA) on a consistent basis and in accordance with Canadian Public Sector Accounting Standards (PSAS) 3150. The principal issues in accounting for TCAs are the recognition of the assets, the determination of their carrying amounts and amortization charges, the recognition of any related impairment losses, and disposals. In addition, this policy covers the policies and procedures to protect and control the use of all TCAs and to provide accountability to the general public.

Budget

Section 242 of the *Municipal Government Act* of the Province of Alberta provides for the adoption of a budget by Town Council. Council provides budget direction to Administration through the Town's Strategic Plan which in turn sets the desired service levels to be provided. The Town's budget lays out the revenues and expenses planned to deliver these services. Council typically reviews the initial budget presentation in the fall for the upcoming year. Council then provides direction to Administration regarding desired service levels and the respective acceptable level of taxation to achieve those service levels.

“Our tendering and purchasing policy provides a framework for the expenditure of public funds. This policy aligns with Town Council’s vision of fairness, openness, and transparency. It also achieves compliance with relevant legislation.”

Kyle Beauchamp – Chief Financial Officer & Deputy CAO

Accounting

All financial and accounting services fall under the Corporate Services Department. Maximizing information technology allows for tight financial controls and the fulfilment of internal and external reporting requirements. Financial reports are prepared for review by Council and staff. Annual financial statements are prepared by the Corporate Services Department for the annual audit.

Audit

Section 280 of the *Municipal Government Act* states that “Each council must appoint one or more auditors for the municipality”. Further, the Act requires the auditor to report to Council on the annual financial statements. These financial statements are the responsibility of the municipal administration. The auditor’s responsibility is to express an opinion on the annual financial statements based on their audit.

Town Council is responsible for ensuring that Administration fulfills its responsibilities for financial reporting, internal controls, and risk management. Town Council is ultimately responsible for approving the Town’s budget, appointing the auditor, and providing general financial authority and oversight.



Economic Events

In 2022, the triple threat of higher interest rates, higher inflation, and higher borrowing costs work to reduce purchasing power, leading to the shrinking of spending and investments. Higher borrowing costs weigh on consumer spending, housing market activity, and business investments that slowed demand and restrained activity. The Bank of Canada has adopted a restrictive monetary stance to cool inflation and the current tightening cycle is slowing growth, which leads to a forecast recession this year.

Supply chain issues and rising material costs continued to be the biggest challenges faced by the Town of Coaldale in 2022. While the Town has remained committed to its Capital Budget, these challenges have influenced project costs and completion times.

Meeting Future Challenges

Rising Inflation

As the economy deals with rising inflation at unprecedented rates, municipalities are not immune from these conditions. With increasing costs for construction, materials, supplies and services; strategies must be developed to maintain adequate service levels for residents while maintaining fiscal responsibility. This includes the need for innovative and creative solutions, cost/benefit analyses for potential projects (spend now vs delay) and a continual investment in municipal partnerships.

Municipal Revenue

There is a growing uncertainty shared amongst municipalities regarding the stability of future funding from the Provincial and Federal Government. The current government's financial challenges present a risk related to future transfers to the Town of Coaldale as listed below:

- The Town of Coaldale is the only municipality with a population of 15,000 or less in Canada, that pays 100% of the cost for RCMP policing. Other similar municipalities operate in a cost sharing 70/30 split with the Federal Government. The additional yearly operating cost is approximately \$400,000 for the Town of Coaldale under this inequitable costing model. Lobbying efforts at the Provincial and Federal level are ongoing to fix this inequitable funding model.
- The model for debenture debt through the Alberta Government was once a reliable and consistent means for the funding of capital projects. Recent changes to this model have resulted in a significant increase to interest rates for capital debenture funding. As a result, the Town will have to consider debt funding from the competitive market to combat increasing interest rates.

The Town's revenue is also exposed to economic or other external influences. To address challenges with revenue volatility, the Town adopts strategies and practices to identify and mitigate market changes. Some of these tactics include conservative budgeting, quarterly reporting/forecasting, diversifying revenue sources, exploring strategic cost sharing public/private partnerships, and attracting commercial and residential development in Coaldale.



Asset Management

The Town has embarked on the path to sustainability through asset management. Asset management will provide the information needed for the Town and its citizens to face the growing challenges of aging infrastructure. The true benefit is that this program will allow Council to focus on the "road ahead". A successful asset management program will help the Town maintain municipal assets and reduce the infrastructure funding deficit.

Maintaining Service Levels

Balancing levels of service with fiscal responsibility is one of the Town's biggest challenges. Maintaining service standards with limited resources requires an innovative approach. Council and Administration will continue to work towards best practices for the benefit of the municipality.

The Town of Coaldale remains committed to its strategic initiatives and providing best value while providing high quality programs and services to citizens. In that regard, strategic planning has become a focus for Town Council. The Town's Strategic Plan functions as a guide for the organization during the annual budget process and in the daily delivery of Town services.

Conclusion

The Town of Coaldale continued to deliver exceptional services to the community by providing critical value-added programs and services. There were many projects and notable accomplishments within the organization, despite the supply chain and inflationary challenges in the past year, that contributed to Council's vision of making Coaldale a premier place to live, work and play.

From the completion of the Aerated Lagoons Upgrades - to increase efficiency and capacity for growth, the construction of Civic Square - to truly revitalize the downtown core, to the investments in the NE Industrial Park - to capitalize sustainable growth and investment that Coaldale is attracting; the Town of Coaldale is entering into a new era that shows that it is ready and open for business.

The past year's success is only made possible through the efforts of the dedicated staff and Council of the Town of Coaldale. This journey would not be possible without their hard work and commitment, and our appreciation goes out to those who believe in the value their work provides to the community.

Respectfully submitted,



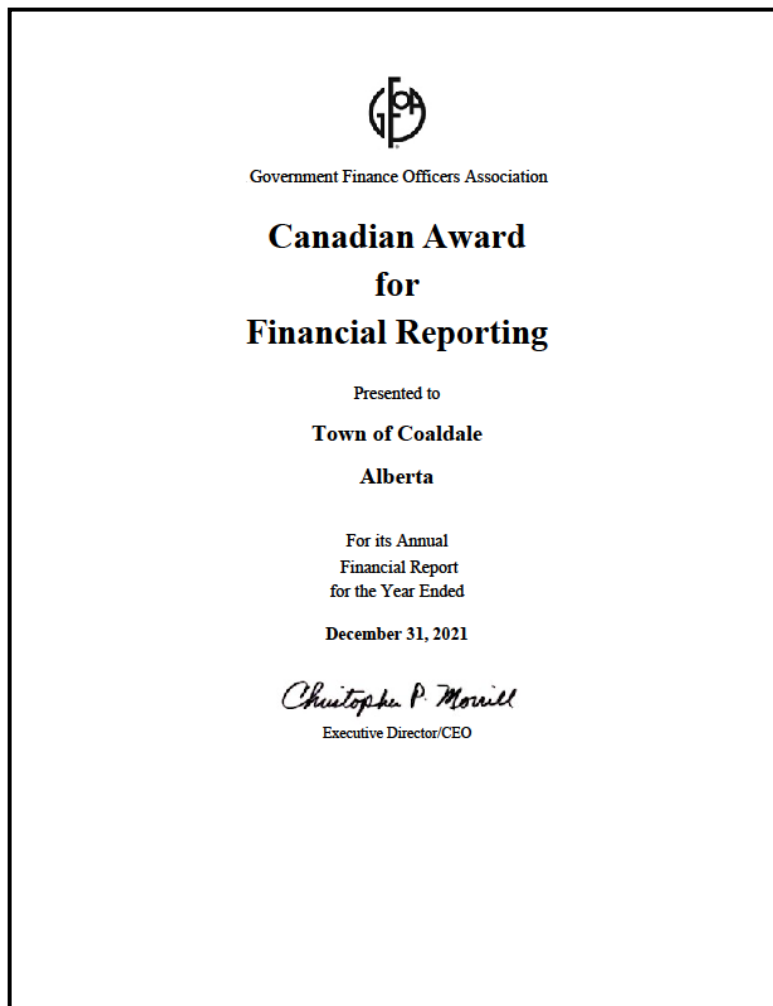
Kyle Beauchamp, CPA, CA
Chief Financial Officer & Deputy CAO
June 23, 2023

Canadian Award for Financial Reporting

Government of Finance Officers Association of United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Town of Coaldale for its annual financial report for the fiscal year ended December 31, 2021. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be award a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Project Spotlight – Civic Square



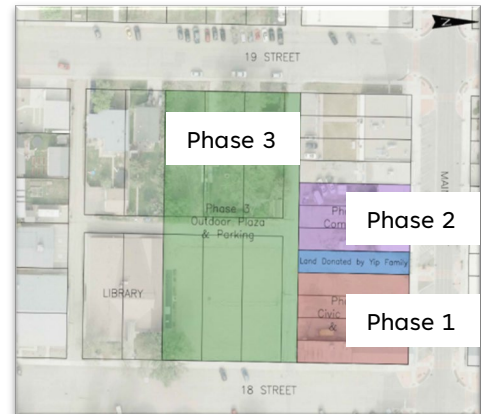


Civic Square Grand Opening - June 17, 2023

Project Spotlight – Civic Square

Civic Square is a multi-use commercial office development located on Coaldale’s Main Street. In collaboration with a third-party private developer, Shift Real Estate Investments LP, this project will create, and serve as a new location for:

- Commercial office space for prospective enterprise.
- The Town of Coaldale’s administration office building and Council Chambers.
- Community meeting rooms and a large indoor and outdoor gathering space intended to attract people and events to Coaldale’s downtown core.



Phase 1

Phase 1 of the Civic Square project (completed November 2022) is a two-story commercial development with an area of 1,106m² (11,905 ft²) on Coaldale’s Main Street featuring the following components:

- Relocation of the Town of Coaldale’s municipal office into spaces on the first and second floor, freeing up the existing Town office building for resale and commercial redevelopment.
- An open atrium on the main level of the commercial office complex that will facilitate opportunities for public and private events.
- Over 4,500 square feet of new commercial development, building on the excellent work already completed by local businesses to revitalize Coaldale’s downtown.

The Town of Coaldale owns the administrative office space on the second floor, as well as the atrium, meeting rooms and Council Chambers on the Main Floor. The Town will not be paying monthly rent to a private developer but will have monthly condo fees to cover common office complex expenses like insurance and building maintenance.



Civic Square – Exterior Lighting

Construction Highlights

- The exterior of the building was designed to have two distinct appearances - the east side has a classic appearance with brick, arches, and a sloped cornice, while the west side has a modern look with wood and metal panels. The brick selected has a paper-cut finish, which combined with the regular spaced archways and pilasters give it a more traditional or historic feeling. The contrast between the two sides gives the building a better sense of scale and adds to the visual appeal of a more dynamic downtown. It also serves as a wayfinding tool, a visual cue separating the public side of the building from the business side.
- The atrium entrance was designed to appear warm and welcoming from Main Street by replicating the effect of a warm lantern illuminating a wood surface. To deal with the increased maintenance requirements of real wood, the Town sought out faux wood products with a lighter hue as the darker hue products would not reflect the light well enough. Since most of the products did not offer a lighter hue, a few different options had to be explored before the right product was found.
- On commercial, industrial, and multi-unit developments, a popular choice is to integrate stormwater retention into the landscaped areas of a parking lot. Civic Square has a large footprint and takes up most of the parcel so using the roof to retain stormwater during peak water events was the most viable solution. The roof drains are designed to limit the flow of water at a slower release rate than conventional drains, with all the water being completely drained within 24hrs.
- The steel structure was originally designed to use open-web steel joists. However, the pandemic created a volatile market with high escalation and the major suppliers projected significant delays and very high costs at the time the project was tendered. Silver Ridge, the general contractor for this project, even investigated the possibility of locally manufacturing these joists which resulted in a similar outcome. To avoid major project delays and the associated risk of rising costs, the design team quickly pivoted to use the next best option and switched to W-sections, more commonly known as I-beams.



Atrium Wood Ceiling



Atrium Wall Images

- The wood ceiling in the atrium and the historic images on the walls are nice aesthetic features but they also serve another purpose. The fabric installed between the wooden slats is backed with an acoustic insulation and the images are printed on a felt acoustic material. These two surfaces absorb sound waves to reduce the reverberation time and echoing, increasing the ability to understand speech.
- Other cost savings and methods were required to meet the revised budget without making significant compromises to the original design. Ordering materials and supplies well before they were needed, sometimes a year in advance for things like lighting, ensured that supply chain issues did not delay the project and offered some relief from escalating costs.
- Civic Square is projected to use about 7% less energy than what is referenced in the 2017 National Energy Code for buildings.



Civic Square Atrium

Community Impact

The Civic Square atrium was designed to provide a more upscale space than what is currently offered at the Gem of the West or the Community Centre for special events, including weddings, banquets, community events, etc.

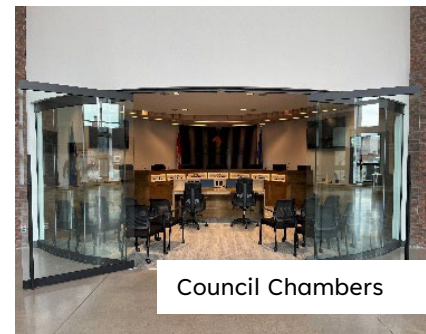
The atrium space includes the following features:

- Capacity for 240 banquet style or 300 theater style seating.
- Designed to be accessible and secured independently of other tenant spaces.
- Atrium rentals and bookings include a portable stage, tables, chairs, and access to state-of-the-art AV equipment.



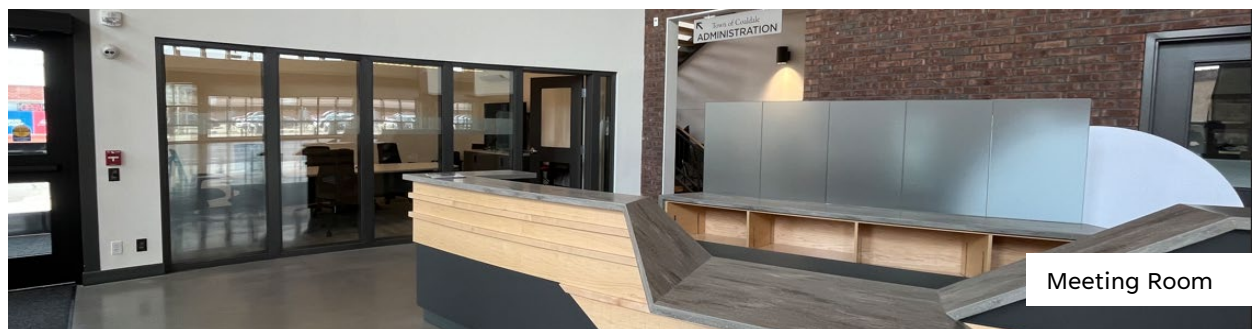
- Large, lush living wall (with over 1,900 individual plants) and natural light to provide a calm, soothing effect.

- Enhanced Council chambers with an integrated AV system connected to the atrium for large public gatherings such as community engagement sessions, council meetings and other formal ceremonies.



- Kiosk space located at the north-west end of the atrium, suitable for a small snack/coffee shop type of service.

- Main level meeting room that is available for community bookings and use with seating for up to 16 people.



Phase 2

Phase 2 allows for further development of up to 10,000 square feet of additional commercial space along Coaldale's Main Street. The land for Phase 2 will be built entirely through private investment, bringing new jobs and assessment to Coaldale's downtown core.

Phase 3

Phase 3 of the project will see the development of outdoor space between the Coaldale Public Library and the new Civic Square building. The outdoor space will be redeveloped to function as a central community gathering space by serving as a hub for festivals, markets, and other community events while also providing parking for Coaldale's expanding downtown. The current project scope includes the following key amenities:



- Refrigerated outdoor skating rink (approximately 2/3 of an NHL sized skating surface) that can accommodate ice in temperatures up to 10 degrees Celsius
- 42 parking spaces
- Two (2) gas fire pits
- Zamboni storage
- Change room/washroom and concession facility
- Outdoor speakers and site lighting
- Patio space



Community Grant Program

\$35,000 allocated to local community groups as part of the Town's annual community grant program.

Volunteer Firefighter Tax Credit

2022 marks the third year of the volunteer firefighter tax credit for our volunteer firefighters and the local businesses who support them. As the first of its kind, this financial investment by the Town of Coaldale marks further appreciation and support for the volunteer firefighters and their local workplaces for helping keep Coaldale safe. The total cost for this program was \$31,400.

Vehicle & Equipment Additions

The Parks department acquired a new wide area mower at a cost of \$94,000.

The Fire Department purchased a new command truck at a cost of \$88,000, and acquired another vehicle to aid in fire inspections at a contributed value of \$37,000.

A single axle dump truck was purchased for \$147,000 by the Operations department, along with another truck for our vehicle fleet at a cost of \$55,000.



Quads Sports Fields

A new automated irrigation system was installed at the Quads Sports Fields for a total cost of \$63,000

Operating Grants

The Town was able to secure additional operating grants in the year to support expanded projects. These included a \$50,000 asset management grant, \$120,000 storm water grant, \$42,000 for the fire master plan and \$60,000 for a municipal internship.

Waste Collection

In 2022, Coaldale produced a combined 2,964 MT (2021 – 3,165 MT) of solid waste, a 6.35% decrease over 2021.

Household solid waste in 2022 amounted to (excluding drop-off site):

Garbage 1,527 MT (2021 – 1,572 MT)

Recycling 457 MT (2021 – 440 MT)

Compost 980 MT (2021 – 1,047 MT)



2022 Annual Report
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