



ANNUAL REPORT

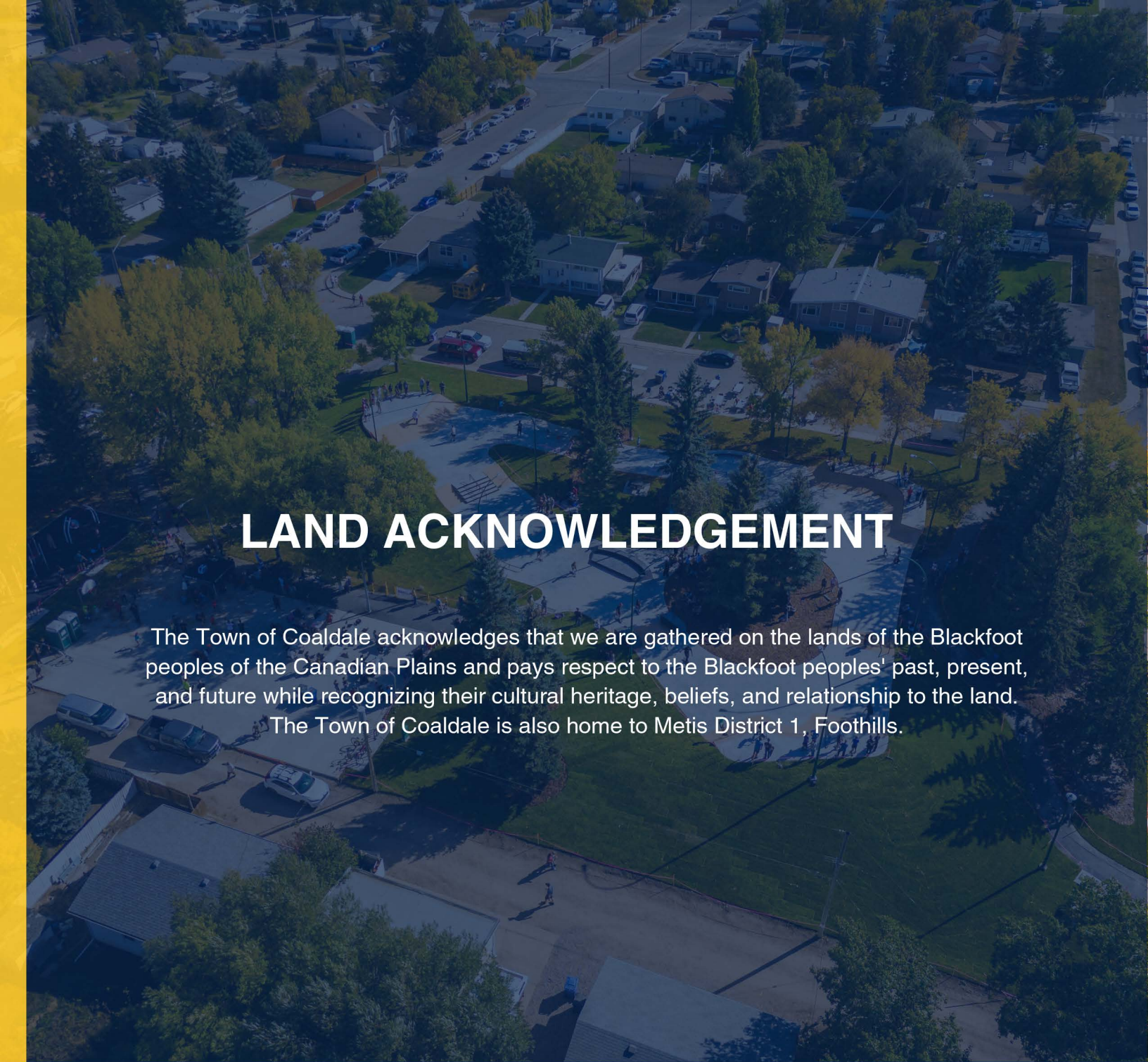
TOWN OF COALDALE

ALBERTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

2025
WWW.COALDALE.CA





LAND ACKNOWLEDGEMENT

The Town of Coaldale acknowledges that we are gathered on the lands of the Blackfoot peoples of the Canadian Plains and pays respect to the Blackfoot peoples' past, present, and future while recognizing their cultural heritage, beliefs, and relationship to the land.

The Town of Coaldale is also home to Metis District 1, Foothills.

2025 Annual Report
For the Year Ended December 31, 2025

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

The 2025 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

July 30, 2026

2025 was a year of strong momentum and meaningful transition for the Town of Coaldale. Together, we continued investing in the infrastructure, public spaces, and economic opportunities that will support our community for generations to come.

We also celebrated the completion of the Kinsmen Skatepark. With its skatepark, basketball court, playground, and other amenities, this new space gives residents of all ages another place to be active and spend time together. The project is also an outstanding example of what can be accomplished through community partnerships. The Kinsmen Club of Coaldale, the Province of Alberta, local organizations, businesses, and residents all played an important role in bringing it to life.

One of the year's most significant achievements was the completion of Coaldale's Industrial Rail Project. This new connection to the CPKC mainline is a major step forward in positioning Coaldale as a competitive, rail-served industrial hub. It supported the development of NewCold's facility and creates new opportunities to attract investment, strengthen regional supply chains, and generate long-term economic benefits for our community.

At the same time, the Town continued advancing essential infrastructure projects, including the potable water reservoir and pump station, Malloy Drain Phase 2B, the South Coaldale Regional Stormwater Management Facility, and Phase 2 of the sanitary trunk line. These investments may not always be the most visible parts of a growing community, but they are critical to protecting residents, supporting development, and ensuring our infrastructure keeps pace with Coaldale's needs.

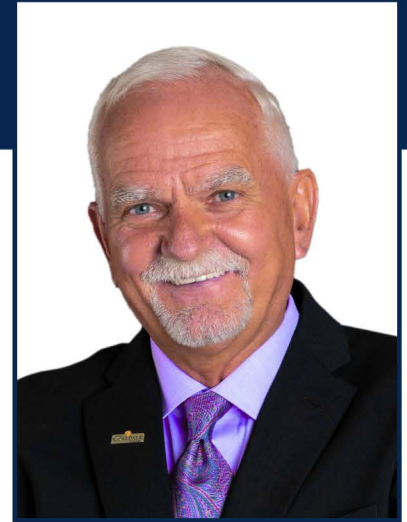
The strength of our community was also reflected in another active year for development. The Town issued 228 development permits representing approximately \$97.6 million in construction value, with 263 new dwelling units planned. These numbers demonstrate continued confidence in Coaldale as a place to build, invest, and call home.

Finally, October's municipal election marked the conclusion of the 2021-2025 Council term and the beginning of a new four-year mandate. I am grateful for the confidence residents have placed in our Council and proud of what we have accomplished together. As we look ahead, we remain committed to responsible growth, strong financial stewardship, and maintaining the quality of life that makes Coaldale such a special place.

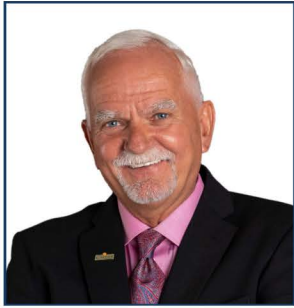
Best Regards,



Jack Van Rijn
Mayor
Town of Coaldale



COALDALE TOWN COUNCIL



Jack Van Rijn
Mayor



Jacen Abrey
Councillor



Dale Pickering
Councillor



Bill Chapman
Councillor



Jason Beekman
Councillor



Jordan Sailer
Councillor



Lisa Reis
Councillor

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.

Town Council consists of a Mayor and six Councillors who provide strategic direction to Administration through a variety of plans, bylaws, policies and governance processes. Council is elected at large by residents to serve a four-year term and governs in accordance with the powers granted under the Municipal Government Act (MGA). Council meetings are held at 5:00 pm on Mondays, every three weeks throughout the year with the exception of July, August and December.

This report reflects a transition year in local governance. From January through October 2025, the 2021-2025 Council continued advancing key priorities, major infrastructure investments, and long-term community planning initiatives. Following Alberta's municipal election in October 2025, a newly elected Council was sworn in to guide the next chapter of Coaldale's growth and future direction through to the next municipal election in October 2029.

COUNCIL'S STRATEGIC PLAN

Council's 2021-2025 Strategic Plan reflects the vision and priorities of Town residents and identifies six (6) areas of focus: Public Safety, Recreation, Service Excellence, Community Growth and Economic Prosperity, Relationships, and Community Experience.



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

COUNCIL'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

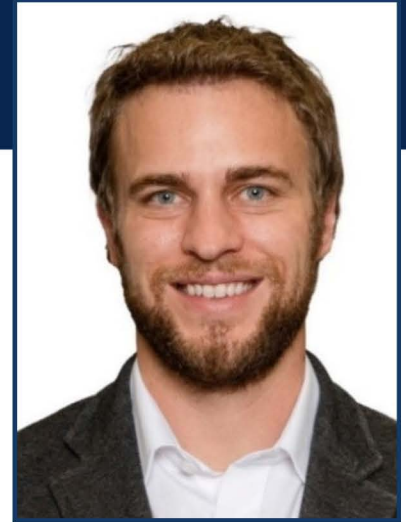
We support creating connections and design our events and community spaces to be welcoming, accessible and a point of pride, to allow people to maintain and strengthen our small town feel and values.

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 CAO

July 30, 2026



2025 was a year of significant implementation and delivery for the Town of Coaldale. Administration remained focused on advancing Council's priorities, completing major projects, maintaining essential municipal services, and strengthening the foundation required to support the community's continued growth.

For the fifth consecutive year, the Town invested more than \$15 million in capital projects, with total capital expenditures reaching approximately \$18.8 million. This included \$7.7 million toward a new potable water reservoir and pump station, \$3.2 million for Malloy Drain Phase 2B, \$2.0 million for the Town's Industrial Rail Project, \$1.4 million for the Kinsmen Skatepark, and substantial investments in stormwater, wastewater, roads, facilities, land improvements, vehicles, and equipment.

The completion of the Industrial Rail Project was an especially important achievement. Delivering a project of this scale required extensive coordination between the Town, NewCold, the Government of Alberta, CPKC, consultants, and contractors. Its efficient progression from design and approvals through construction helped position Coaldale as the preferred location for major private-sector investment and created infrastructure that can support future industrial development.

Administration also managed a year of considerable operational pressure. Despite a period of labour disruption in the fall, essential municipal services were successfully maintained through contingency planning. The Town concluded the year with operating expenses approximately 3.2 per cent below budget while continuing to respond to rising costs, increased service demands, and the loss of revenue associated with changes to photo radar.

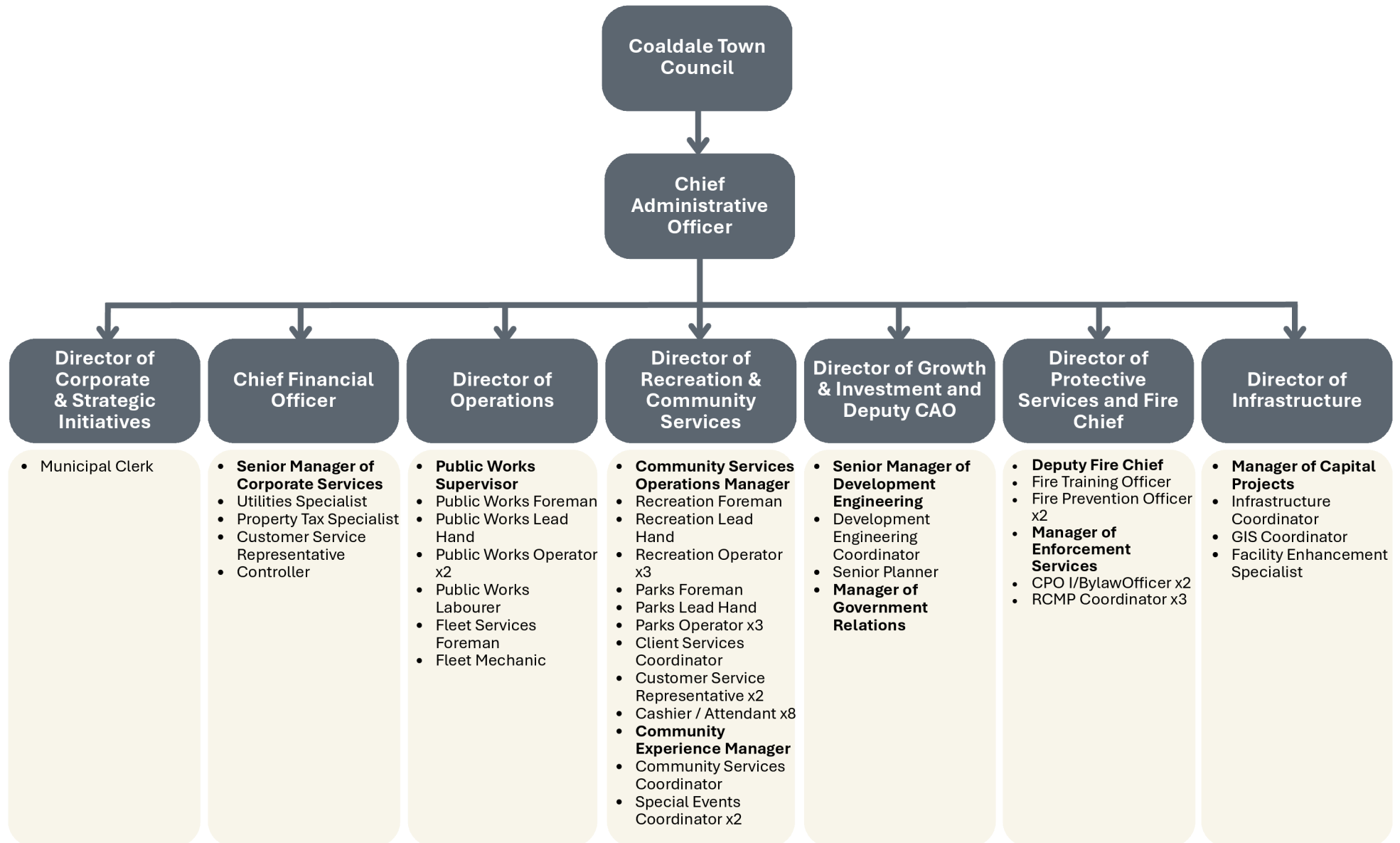
Finally, the Town's overall financial position remained stable. Net financial debt improved by \$1.4 million, restricted reserves increased to \$15.8 million, and the accumulated surplus grew to \$172.5 million. These results reflect the Town's continued focus on prudent budgeting, reserve planning, responsible debt management, and the strategic use of grant funding to advance major infrastructure projects without placing the full burden on local taxpayers.

Thank you to Town Council for its leadership, to our employees for their dedication and professionalism, and to the residents, businesses, community organizations, and government partners who contributed to another productive year. Together, we are building a resilient and well-planned community that is prepared for the opportunities and challenges ahead.

A handwritten signature in blue ink, appearing to read 'K. Hastings', with a stylized flourish at the end.

Kalen Hastings, M.A.
Chief Administrative Officer
Town of Coaldale

ORGANIZATIONAL STRUCTURE



MESSAGE FROM THE CFO

July 30, 2026



I am pleased to present the 2025 Annual Report for the Town of Coaldale. This report summarizes the Town's financial performance, major capital investments, and long-term fiscal health for the year ended December 31, 2025, highlighting the Town's commitment to transparency, accountability and responsible financial stewardship.

True financial stewardship extends beyond balancing an annual budget. It requires building a resilient, adaptable organization capable of delivering the reliable and sustainable services that residents expect, while proactively preparing for the future. Throughout 2025, Administration remained focused on advancing long-term financial planning initiatives related to asset management, infrastructure planning, and reserve strategies to help strengthen organizational resilience and support future decision-making. As the Town continues to evolve, maintaining strong financial discipline and long-term planning remains essential to achieve Council's vision of sustainable community growth.

To advance these strategic goals without overburdening local taxpayers, the Town aggressively leverages intergovernmental grant programs. The federal government provides funding for capital projects through the Build Communities Strong Fund – Community Stream, which is anticipated to continue through 2026. The Province of Alberta continues to support capital projects through the Local Government Fiscal Framework and other initiatives, such as the Strategic Transportation Infrastructure Program (STIP). In 2025, the Town recognized provincial capital grants for the construction of the Malloy Drain Phase 2B, the South Coaldale Regional Stormwater Management Facility, the potable water reservoir and pump station, and the industrial rail.

2025 marks the fifth consecutive year that the Town of Coaldale invested over \$15 million into capital projects. This is another significant milestone in supporting the Town's growing population and maintaining Council's vision of making Coaldale a premier place to live, work and play.

Acknowledgements

Corporate Services wishes to acknowledge the Town of Coaldale staff and Council for their continued commitment to excellence in financial policy and reporting. Thank you to the residents and businesses for your trust and participation in our services, programs, and other community engagements. We are grateful for the successful completion of another year as we set our sights on the upcoming year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Koba', with a stylized flourish at the end.

Tim Koba, CPA
Chief Financial Officer
Town of Coaldale



PROJECT SPOTLIGHT:

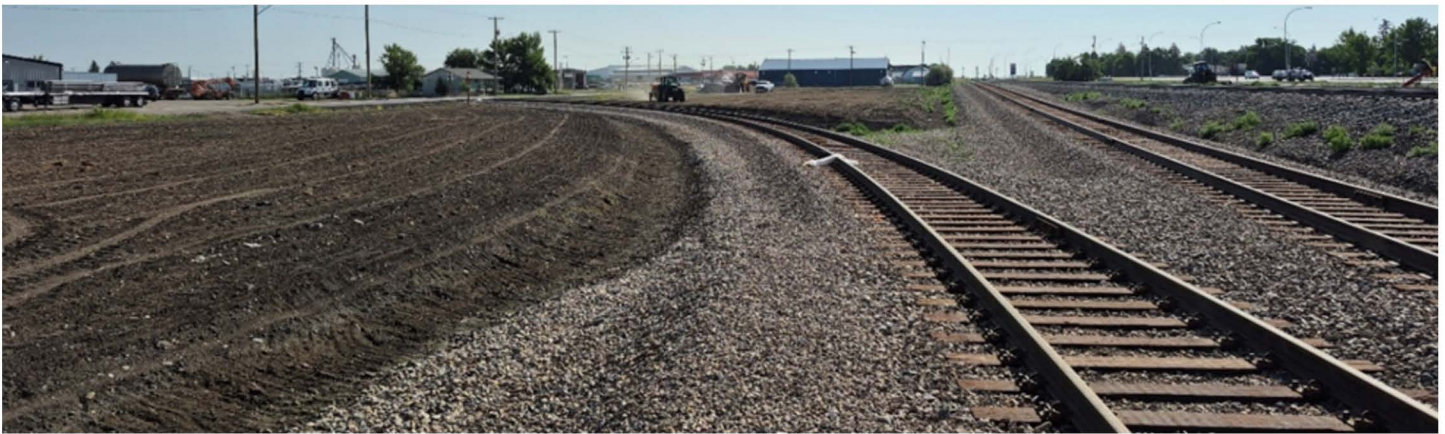
COALDALE INDUSTRIAL RAIL PROJECT

Connecting Coaldale to Opportunity

COALDALE INDUSTRIAL RAIL PROJECT

Completed in 2025, Coaldale's Industrial Rail Project represents a strategic investment in critical logistics infrastructure needed to support industrial and commercial growth within the community and the broader agri-food corridor.

The project establishes a vital rail connection from the CPKC mainline into Coaldale's newest industrial development area, enabling large-scale industrial investment such as the NewCold multi-model cold storage warehouse. The efficient progression of the project—from conceptual design through approvals and construction—was a key factor in positioning Coaldale as the preferred location for this significant private-sector investment.



PROJECT OVERVIEW

- Two (2) CPKC mainline turnouts and approximately 0.7 km of siding track.
- Three (3) industrial lead tracks totalling approximately 1.7 km of additional rail.
- Three (3) new road crossings
- Supporting civil infrastructure, including grading, drainage works, culverts, and utility crossings.



In addition, NewCold constructed approximately 1.1 km of private customer track on-site to accommodate railcar storage and support its operations.

COALDALE INDUSTRIAL RAIL PROJECT

Investment Partnerships

This project was delivered through a collaborative funding model between the Town of Coaldale, private sector partner NewCold, and the Province of Alberta through the STIP program.

Total project investment was approximately \$7.1 million, demonstrating a strong partnership between public and private stakeholders to deliver infrastructure that benefits the entire region.

Key Project Stakeholders & Acknowledgements

- NewCold (private partner and key industrial customer)
- Government of Alberta (STIP funding)
- Canadian Pacific Kansas City (rail service provider)
- Mike Spencer Geometrics (design team)
- Dennis' Dirtworx (prime contractor)
- Ironhorse Railroad Contractors (key sub-contractor)



Looking Ahead

With capacity for future expansion, the rail infrastructure supports long-term development opportunities by addressing the regional need for rail serviced industrial lands.

The completion of the Industrial Rail Project positions Coaldale as a competitive, rail-served industrial hub within southern Alberta. This foundational investment will support continued economic growth, strengthen regional supply chains, and deliver lasting economic and community benefits.





DEPARTMENT PROJECTS & HIGHLIGHTS

Capital and Operating Projects

Building for the Future

CAPITAL PROJECTS

Kinsmen Skatepark

Construction of the new skatepark facility located at 2310 22 Ave was completed in 2025 with \$1.4 million in costs incurred during the year. This brings the total capitalized project costs to \$1.5 million. Park amenities include a large skatepark featuring a quarter pipe, ramps, ledges, stairs and multiple rails, a basketball court with lights, a small playground structure, benches and a bike rack



The Kinsmen Club of Coaldale and the Province of Alberta (CFEP) were major partners in this project, along with additional support received from the Kinette Club of Coaldale, the Coaldale Community Wellness Association, the Community Foundation of Lethbridge and Southwestern Alberta, and the Coaldale Fun Run Committee. Several local businesses also contributed to the project's success with in-kind donations and sponsorships. This project shows the strength of community and partnerships, with the Town providing only 25-30% of the total project cost.

CAPITAL PROJECTS

2025 Vehicle & Equipment Additions

- \$13k Trailer (Community Services)
- \$25k Trailers (2x) donated by the Southwest Alberta Road Safety Society
- \$45k Survey equipment
- \$54k Fleet truck replacement
- \$64k Rec Centre batting cage
- \$170k Wide Area Mower (Parks)
- \$255k Loader (Ops)

2025 Land & Land Improvement Additions

- \$370k John Davidson land (2016 19 St)
- \$17k Owl's Nest (ROW)
- \$114k Civic Square Phase 3
- \$16k Cottonwood Pond fountains
- \$73k HWY 3 & Land O'Lakes Crossing
- \$190k Rehoboth pathway

2025 Road Additions

- \$2.0M Industrial Rail
- \$430k 17 th St upgrades
- \$17k HWY 3 & 30 St Geometric upgrades
- \$5k HWY 3 & 8 St Signalization

2025 Facility Additions

- \$102k Civic Square condo renovations
- \$52k Civic Square leasable space
- \$50k Pool boiler replacement
- \$38k Library lighting upgrades

2025 Utility Additions

- \$3.2M Malloy Phase 2B
- \$7.7M Water Reservoir and Pump Station
- \$977k South Coaldale Regional Stormwater Facility
- \$843k Sanitary Trunk Line Phase 2
- \$148k Sewer relining
- \$452k Lagoon liner replacement



OPERATING PROJECTS

Operating Grants

The Town received operating grants in the year to support the following projects.

- \$550k RCMP police funding (2025) from the Government of Alberta
- \$370k Policing grant from the Government of Alberta
- \$130k LGFF operating funding from the Government of Alberta
- \$103k Regional Water Study from the Government of Alberta (ACP)
- \$94k Library grants
- \$11k Fire services training and wage subsidy
- \$8k Young Canada Works from the Government of Canada

Rain Barrel Rebate Program

The rain barrel rebate program is expected to run between March 1 and October 1 of each year. Rebates will be limited to 1 rain barrel per residence and covers 50% of the purchase price up to a maximum of \$50.00 per barrel. Rebates will be issued on a first-come, first-served basis, until the designated rebate fund of \$15k has been depleted. The Town received 30 applications in 2025 which resulted in approximately \$2k paid out in rebates to residents.

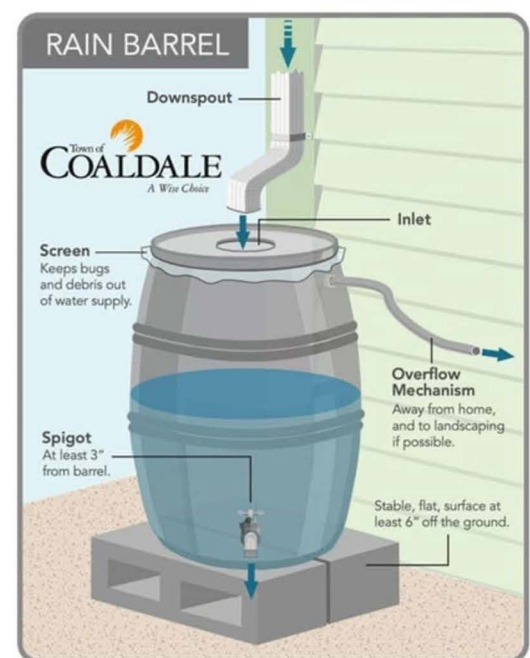
Volunteer Firefighter Tax Credit

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 in 2025 was \$33k (2024 - \$28k).

Waster Collection

In 2025, Coaldale produced a combined 2,975 MT (2024 – 3,003 MT) of solid waste, a 0.9% overall decrease over 2024. Household solid waste in 2025 amounted to (excluding drop-off site):

- Garbage 1,518 MT (2024 – 1,561 MT)
- Recycling 407 MT (2024 – 422 MT)
- Compost 1,050 MT (2024 – 1,020 MT)



A hand-drawn diagram on a light blue background. At the top, 'INCOME' is written with an arrow pointing up and to the right. Below it, 'SPENDING' is written with an arrow pointing up and to the left. In the center, 'FISCAL POLICY' is written in large, bold, blue letters. Below this, 'Management & Control' is written in white. Underneath that, 'Transparency • Accountability • Sustainability' is written in yellow. At the bottom, 'INVESTMENT' is written with an arrow pointing down and to the left, 'DEBT' is written with an arrow pointing down and to the right, and 'GROWTH' is written with an arrow pointing down and to the right. There are also icons: a bar chart with a dollar sign, a money bag, a stack of money, a balance scale, a warning triangle, and a mountain with a flag.

FINANCIAL OVERVIEW

Management & Control

Transparency • Accountability • Sustainability

INVESTMENT

DEBT

GROWTH

FINANCIAL MANAGEMENT AND CONTROL

The 2025 Annual Report includes consolidated financial statements independently audited by MNP LLP and subsequently reviewed and approved by both Council and Administration. This report also provides insight into some of the Town's innovations and accomplishments for the year, as well as some of the major financial policies, current economic climate, and future challenges. These documents reflect the Town's continued commitment to transparency, accountability, and long-term sustainability.

Roles & Responsibilities

The preparation, accuracy and integrity of the financial statements are the responsibility of management. To assist in its responsibility, management implements and maintains accounting, budget and other controls to provide reasonable assurance that assets are properly accounted for and safeguarded, that transactions are appropriately authorized, and that financial records are accurate and reliable for the preparation of financial statements in accordance with Canadian Public Sector Accounting Standards and the Municipal Government Act.

Town Council is responsible for ensuring that Administration fulfills its responsibilities for financial reporting, internal controls, and risk management. Council is also responsible for approving the Town's budget, appointing the auditor, and providing general financial authority and oversight by adopting long-term financial policies to affect good governance, transparency, and fiscal responsibility.

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 and provides direction to Administration regarding desired service levels and the respective acceptable level of taxation to achieve those service levels.

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 Administration on a quarterly basis. The annual consolidated financial statements and accompanying notes are prepared by management for the annual audit.

FINANCIAL MANAGEMENT AND CONTROL

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. The auditor’s responsibility is to express an opinion on the annual financial statements based on their audit. The auditor’s report, which forms part of the published financial statements, outlines the responsibilities assigned to the Town’s management and those assigned to the auditor. MNP LLP was awarded the contract for audit services.

Significant Financial Management Policies

Cash and Investment Management Policy

The purpose of this policy is to establish objectives and limits for investments held by the Town. Safety of capital is the primary objective of this policy, and investments are limited to those permitted by the Municipal Government Act. Investments by the Town are to be undertaken in a manner that seeks to maintain the safety of investment principal by mitigating credit 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 and Purchasing Policy

This policy provides a framework for the expenditure of public funds that 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”.

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.

FINANCIAL SUMMARY

Financial information is critical in maintaining viable communities and providing insight about the management of the Town's resources to all stakeholders. This financial summary should be read in conjunction with the Town's 2025 Audited Consolidated Financial Statements and accompanying notes. A multi-year statistical and financial section is provided for additional information. The following overview is intended to assist with understanding the Town's financial statements.

Consolidated Statement of Financial Position

The Statement of Financial Position reports on the Town's assets, liabilities, and municipal equity at the end of each year. This statement is used to evaluate the Town's ability to finance its activities and satisfy its obligations and commitments.

Consolidated Statement of Operations and Accumulated Surplus

The Statement of Operations reports on revenues, expenses and the results of operations for the entire year.

Consolidated Statement of Changes in Net Financial Assets (Net Debt)

The Statement of Changes in Net Financial Assets (Net Debt) reconciles the excess of revenue over expenses to the net financial assets. Positive net financial assets are an indicator that the Town can meet its liabilities and obligations out of existing assets and has resources to use in the future. Negative net financial assets (net debt) are an indicator that future resources are required to pay for past transactions and events.

Consolidated Statement of Remeasurement Gains and Losses

The Statement of Remeasurement Gains and Losses reports on the unrealized change in the value of financial instruments, as well as certain balances held in foreign currency.

Consolidated Statement of Cash Flows

The Statement of Cash Flows tracks the movement of cash in and out of the Town, showing how much cash is generated and used during the reporting period. This statement explains the change in cash and cash equivalents since the previous reporting period.

Notes to the Consolidated Financial Statements

The Notes to the Financial Statements contain important information and explanations, some of which are required by legislation and regulation. The notes highlight various aspects and provide background information on the impacts of specific values in the financial statements.

FINANCIAL POSITION

The Consolidated Statement of Financial Position represents the Town's equity as of December 31, 2025. Equity consists of the excess of assets over debt and other liabilities.

Financial Assets

Financial assets are resources that are cash or could be turned into cash, if required, to fund day-to-day operations and includes cash and cash equivalents, accounts receivable, land held for sale, and investments. Overall, the Town's financial assets increased from \$26.6 million in 2024 to \$27.6 million in 2025, for a net increase of \$1.0 million.

Cash and investments totalling \$15.8 million decreased by \$0.9 million from the previous year. Taxes, utilities, and other trade amounts receivable increased by \$2.4 million to \$10.1 million in 2025 from \$7.7 million in 2024. In accordance with Canadian Public Sector Accounting Standards, an allowance for uncollectable accounts receivable must be recorded in the financial statements. This allowance was \$0.1 million in 2025. Other financial assets include land held for sale in the amount of \$1.1 million and a loan receivable of \$0.6 million related to the sale of municipal real estate.

Financial Liabilities

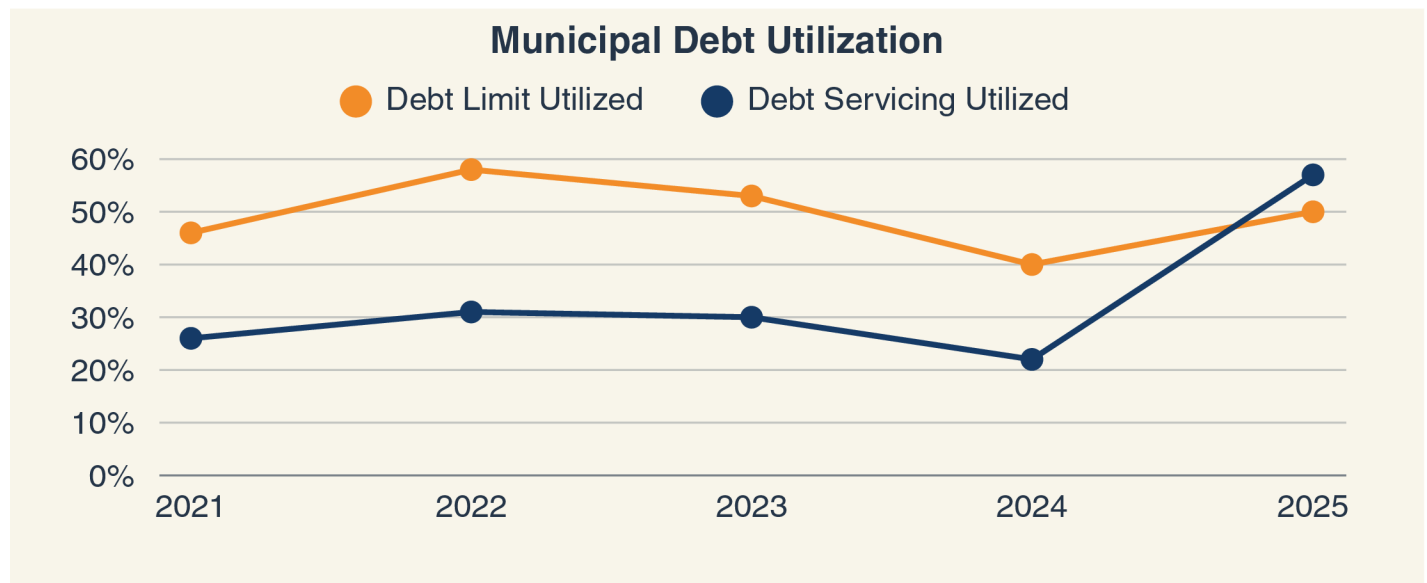
Financial liabilities include accounts payable and accrued liabilities, deposit liabilities, deferred revenue, employee benefit obligations, asset retirement obligations, and long-term debt. Liabilities for the Town decreased overall by \$0.3 million, from \$38.8 million in 2024 to \$38.5 million in 2025. The decrease in liabilities was mainly due to the decrease in deferred revenue of \$5.4 million, offset by an increase in long-term debt of \$4.3 million and an increase in accounts payable of \$0.6 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 expenditures. A total of \$3.8 million in capital grant funding was received in 2025 and \$9.3 million was recognized as revenue in the year, resulting in total deferred capital grants of \$2.4 million at the end of the year. The capital grants in deferred revenue include funding from the Drought and Flood Protection Program (\$2.1 million), the ACRP Grant Program (\$0.2 million), and the Canada Community-Building Fund (\$0.1 million). Other deferred revenue of \$1.1 million, include items such as future sponsorship revenue of \$0.4 million, and credit balances in customer utility and tax accounts of \$0.2 million. The total deferred revenue balance as of December 31, 2025, was \$3.5 million.

Long-term debt was \$19.8 million in 2025, compared to \$15.5 million in 2024. The Town made early repayments of approximately \$0.4 million on four debentures (with interest rates of 4.73% - 6.25%) ending in 2027/2028 in addition to the scheduled repayments of \$0.9 million, for a total of \$1.3 million of capital long-term debt repaid in 2025.

FINANCIAL POSITION

The Town also added two debentures in 2025 totalling \$5.6 million - \$3.4 million for the potable water reservoir and pumpstation and \$2.2 million for the industrial rail project. The debentures held by the Town incur interest at rates ranging from 2.69% to 4.57% and have end dates ranging from 2028 to 2049.

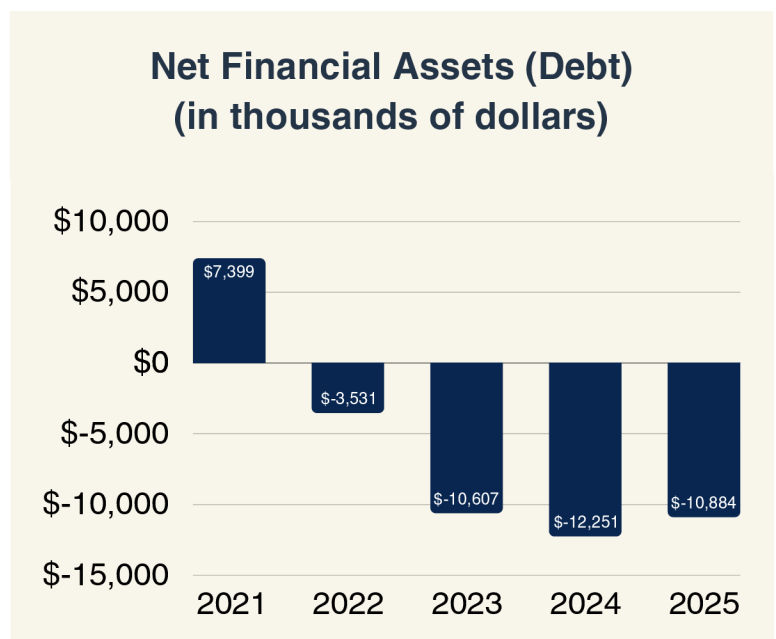


Asset Retirement Obligations (ARO) are legal obligations that arise from the Town’s control of tangible capital assets or leased assets, which include assets in productive or non-productive use. As of December 31, 2025, the Town’s asset retirement obligation was \$8.4 million (2024 - \$8.4 million). The ARO balance primarily consists of estimates for asbestos abatement of Town facilities and wastewater lagoon remediation. A further description of these obligations is provided in Note 10 – Asset Retirement Obligations.

Net Financial Assets (Debt)

Net financial assets (debt) 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 2025, net financial debt decreased by \$1.4 million to \$10.9 million (\$12.3 million in 2024). This change represents the net use of current assets required to fund current operations and capital expenditures (non-financial assets).



FINANCIAL POSITION

Net financial debt indicates that the Town will require financial resources from future years to fund financial liabilities. This exposes the Town to liquidity risk, the risk that the Town will encounter difficulty in meeting obligations associated with its financial liabilities. To mitigate liquidity risk, the Town maintains cash balances to ensure that funds are available to meet current and forecasted financial requirements, and management continues to monitor the Town's liquidity position on a regular basis.

Non-Financial Assets

Non-financial assets consist of tangible capital assets, prepaid assets, and inventory held for consumption. Total non-financial assets totalled \$183.4 million in 2025, compared to \$169.9 million in 2024.

A total of \$18.8 million was invested in tangible capital assets in 2025 (2024 - \$20.8 million). The following list highlights the major capital projects (>\$0.5 million) in 2025:

- Water Reservoir - \$7.7 million
- Malloy Phase 2B - \$3.2 million
- Rail Spur - \$2.0 million
- Kinsmen Skatepark - \$1.4 million
- South Coaldale Regional Stormwater Management Facility - \$1.0 million
- Sanitary Trunk Line Phase 2 - \$0.8 million
- Lagoon Liner Replacement - \$0.5 million

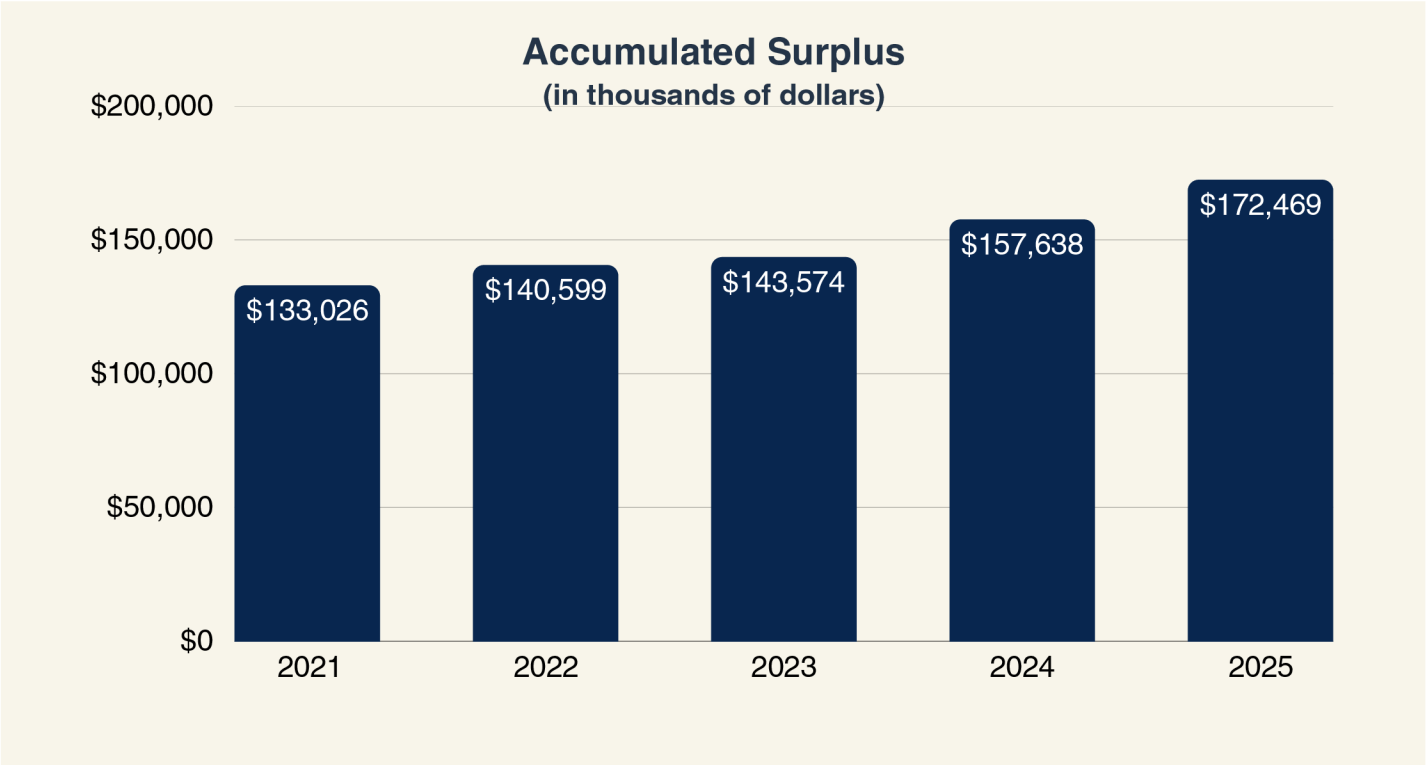
The additions to tangible capital assets are offset by amortization and the disposal of assets. Amortization totalled \$4.8 million in 2025 (2024 - \$4.4 million), and the net disposal of tangible capital assets was \$0.3 million (2024 - \$0.1 million), resulting in a year-end balance in tangible capital assets of \$183.0 million (2024 - \$169.2 million). Other assets of \$0.1 million (2024 - \$0.4 million) and inventory for consumption of \$0.3 million (2024 - \$0.3 million) make up the remainder of non-financial assets totalling \$183.4 million in 2025.

Accumulated Surplus

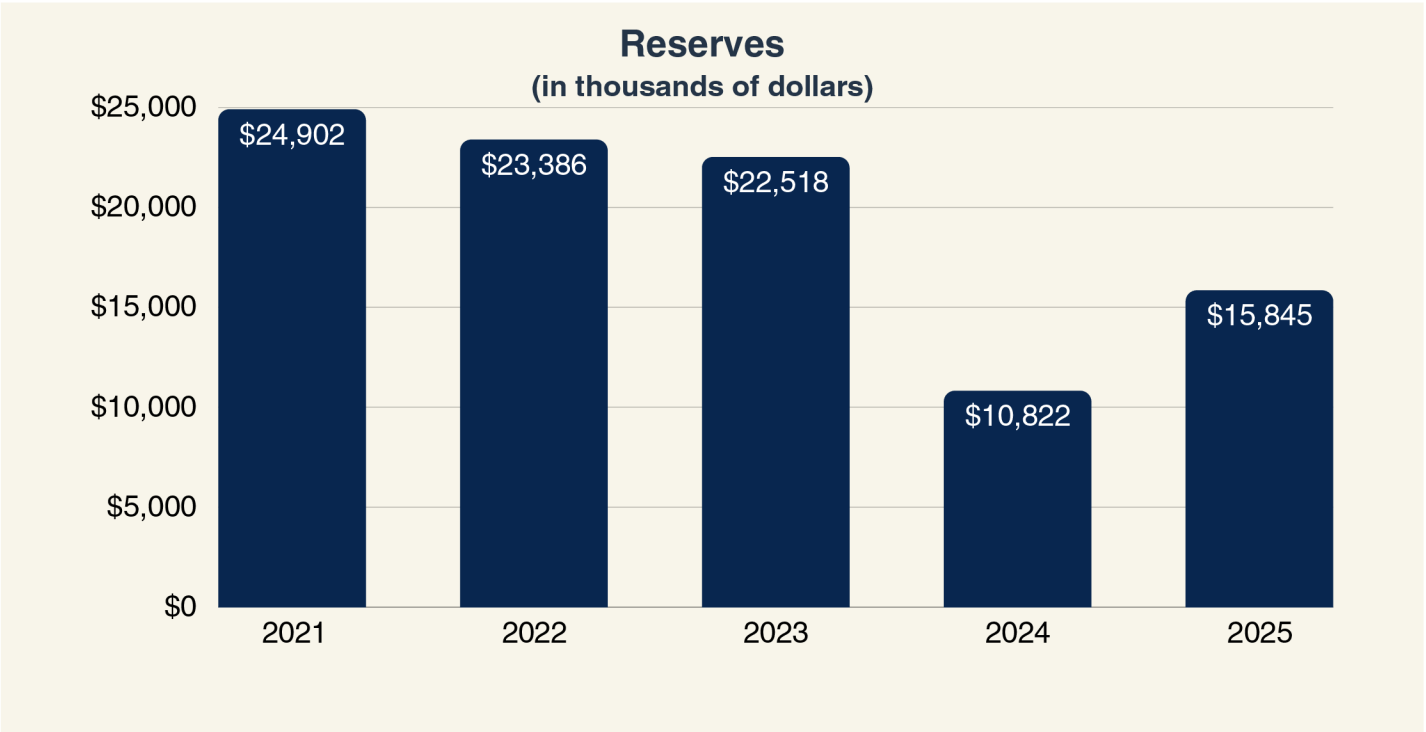
The accumulated surplus is a balance representing the net economic resources and assets that the Town of Coaldale has accumulated over time. This consists of both unrestricted and restricted reserves, and the equity in tangible capital assets. Information related to the accumulated surplus can be found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

The Town's accumulated surplus increased by \$14.8 million in 2025, resulting in a year-end balance of \$172.5 million (2024 - \$157.6 million).

FINANCIAL POSITION



During the year, net transfers to the Town’s restricted surplus totalled approximately \$5.0 million, bringing the year-end balance to \$15.8 million. The increase is mainly due to funds set aside to pay down capital long-term debt. All changes in restricted surplus are approved by Town Council.

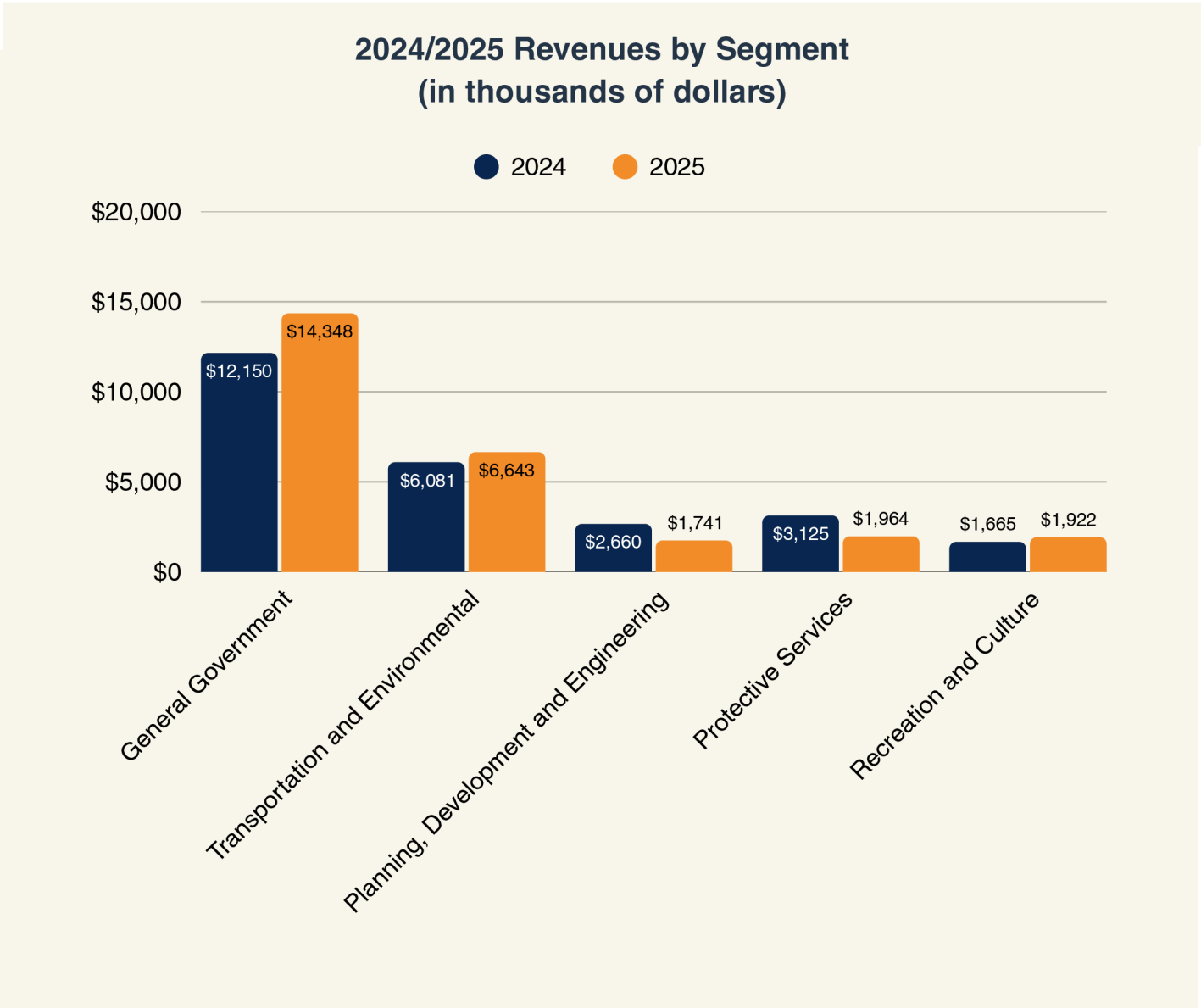


FINANCIAL OPERATIONS

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

Revenues

In 2025, the Town of Coaldale had operating revenues of \$26.6 million, compared to \$25.7 million in 2024. The growth in operating revenues was primarily driven by increases in net municipal property taxes (\$1.7 million), user fees and sales of goods and services (\$0.4 million), other revenues (\$0.3 million), investment income (\$0.3 million), and franchise fees (\$0.2 million). This was offset by decreases in land development (\$0.9 million), government transfers for operating (0.6 million), fines and penalties (\$0.4 million), and licences, permits and fees (\$0.1 million).



FINANCIAL OPERATIONS

Municipal tax revenue increased from \$10.5 million in 2024 to \$12.2 million in 2025. Town Council managed to keep municipal residential tax increases to 2.85% in 2025, despite facing double-digit hikes from provincial requisitions. The non-residential mill rate increased from 9.69 in 2024 to 10.00 in 2025. The property taxes collected from residential and non-residential properties is approximately an 80/20 split.

The Town's user fees and sale of goods and services consist of revenue from utilities, protective services agreements, facility rentals, and user fees charged at various public facilities. Net revenue in this category increased from \$8.0 million in 2024 to \$8.4 million in 2025. Total municipal utilities revenue in 2025 of \$6.4 million (2024 - \$6.0 million) accounted for a large portion of this revenue source. The \$0.4 million increase in utilities revenue (largely due to an increase in consumption) and an additional \$0.2 million in recreation user fees, combined with a \$0.2 million reduction in the Town's regional protective services offerings makes up the \$0.4 million increase in user fees revenues in 2025.

Revenue from fines and penalties was \$0.3 million in 2025 (2024 - \$0.7 million). The substantial decrease was due to the loss of revenue generated from photo radar and traffic fines in the year.

Investment income increased to \$0.4 million in 2025 (2024 - \$0.2 million). This was expected due to several short-term investments maturing in the year and planned cash outlays for capital projects throughout the year. The bank prime interest rate saw a steady decline in 2025, starting the year at 5.45% and finishing the year at 4.45%.

Government transfers related to operating activities totalled \$1.3 million in 2025, down from \$1.9 million in 2024. The difference is due to receiving two years of police funding from the Government of Alberta in 2024 of \$1.1 million (\$550k/year).

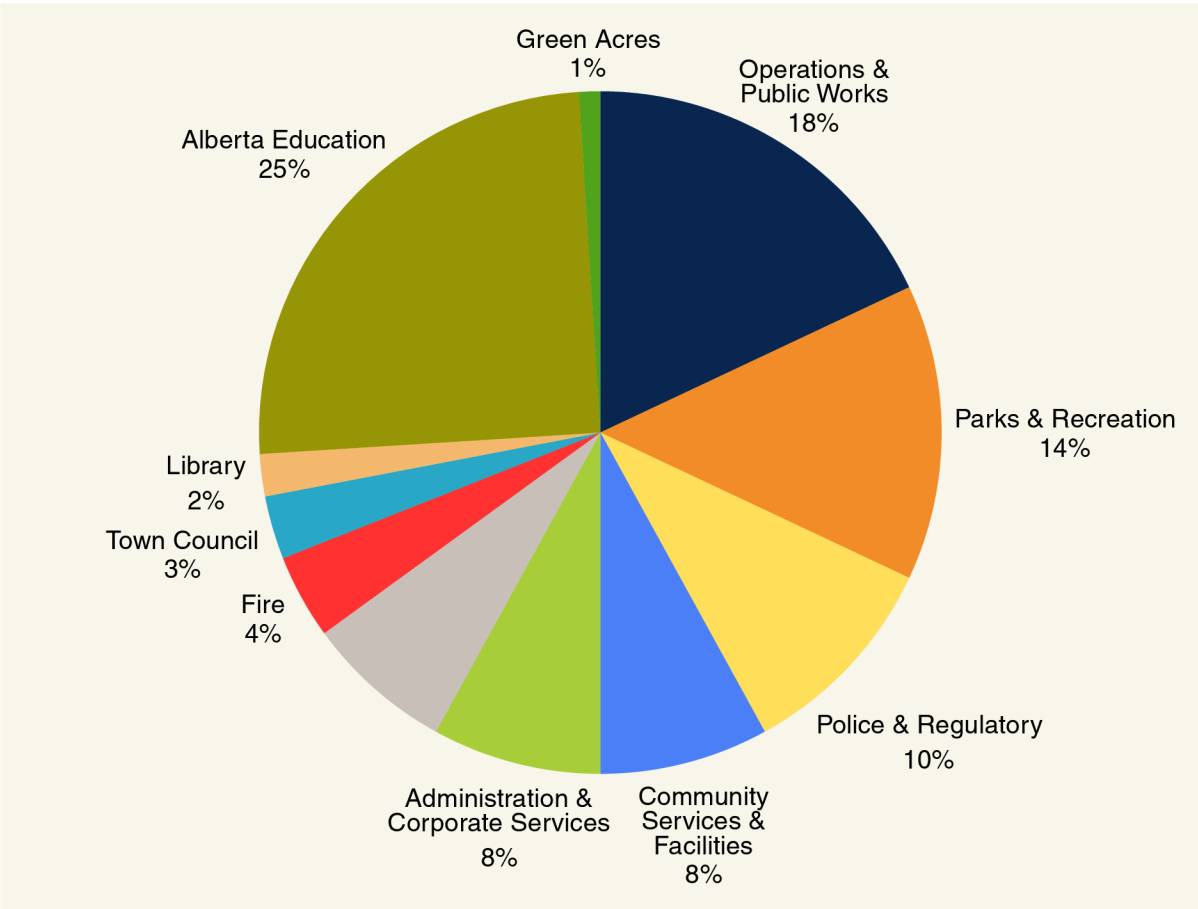
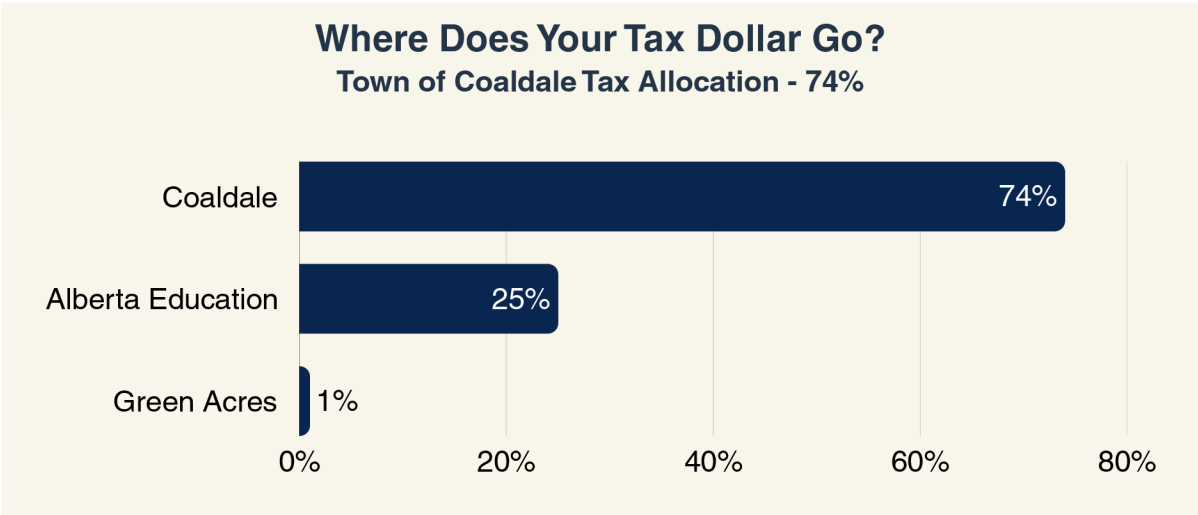
Licences, permits and fees revenues decreased slightly from \$0.5 million in 2024 to \$0.4 million in 2025. This consists of revenue from tax certificates, business licences, animal licences, safety code permits, development fees and subdivision fees. Revenue in this category is relatively stable and fluctuations from year to year are expected due to timing and levels of development within the municipality.

Other revenues in 2025 of \$0.6 million (2024 - \$0.3 million) is made up of donations, rebates, and proceeds on disposals of tangible capital assets. This is not a predictable source of revenue and is budgeted conservatively.

Government transfers related to capital are funds spent on tangible capital assets. The revenue that is recorded often depends on the timing and completion of the capital projects to which the funding is allocated. In 2025, this revenue totalled \$11.8 million and was largely related to the Rail Spur (\$4.1 million), Malloy Phase 2B (\$3.2 million), Water Reservoir (\$2.8 million), South Coaldale Regional Stormwater Management Facility (\$1.0 million), Kinsmen Skatepark (\$0.4 million), Rehoboth Pathway (\$0.2 million), and Civic Square Outdoor Space (\$0.1 million).

FINANCIAL OPERATIONS

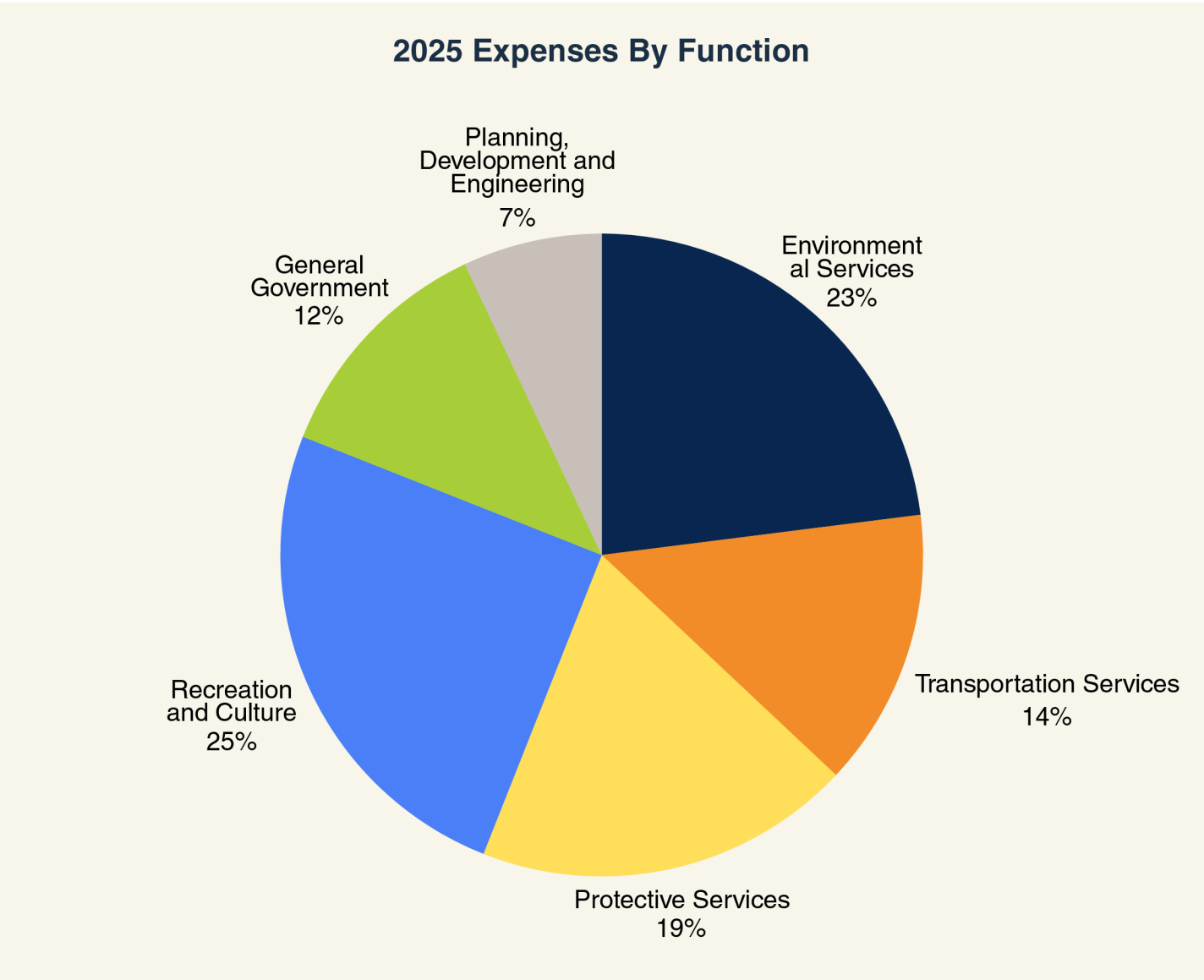
Contributed tangible capital assets was \$1.3 million in 2025 (2024 - \$2.6 million). This revenue is an unreliable source of revenue and may vary from year-to-year based on the timing of capital project schedules. In 2025, contributed revenue consisted of approximately \$1.0 million received for the construction of the Kinsmen Skatepark, and \$0.3 million in developer contributions and levies.



FINANCIAL OPERATIONS

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.



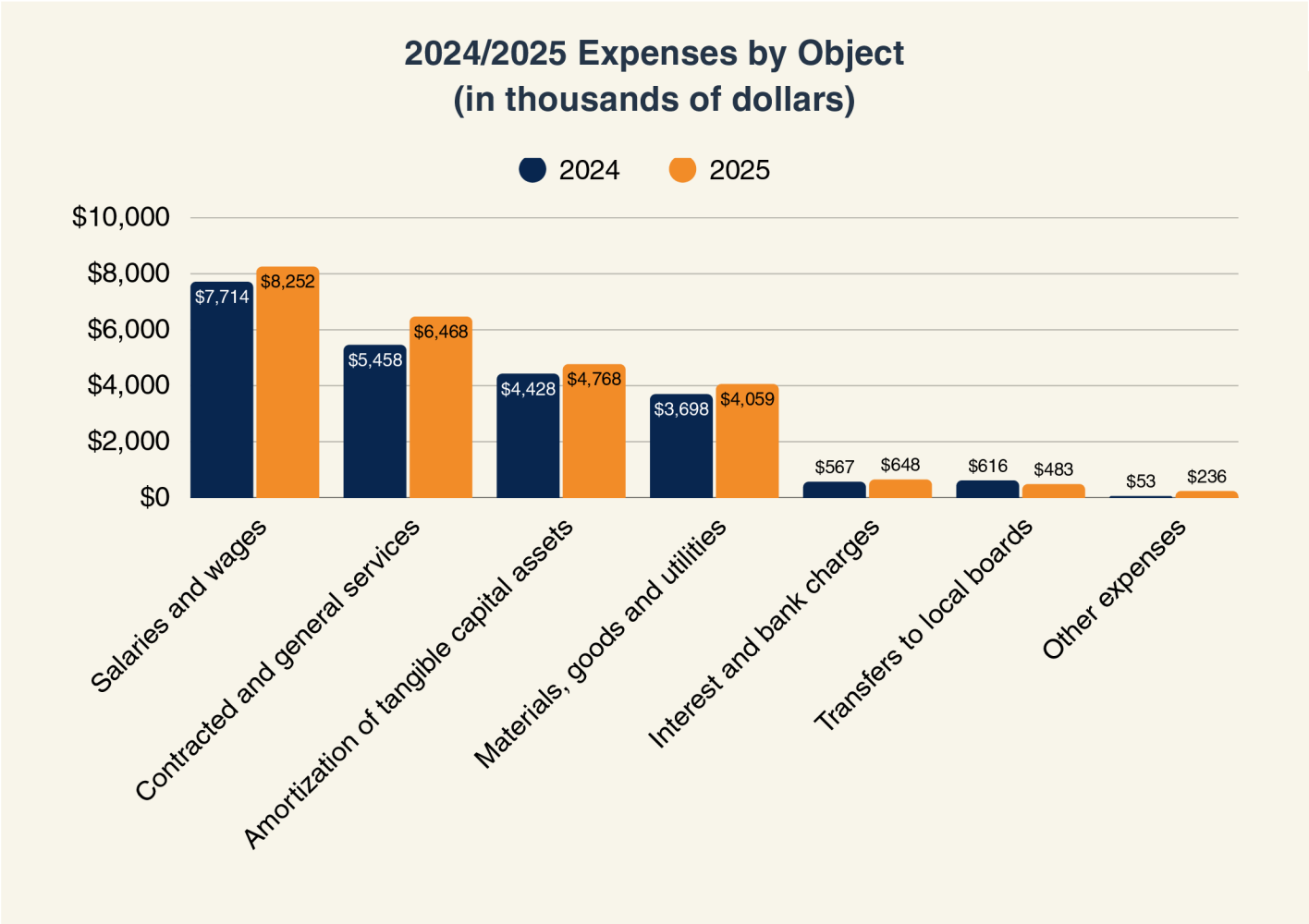
Operating expenses of \$24.9 million in 2025 (2024 - \$22.5 million) came in approximately 3.2% under the approved budgeted of \$25.7 million. Financial results for the year reflect the impacts of a temporary labour dispute and subsequent management lockout of unionized staff in the fall that lasted 67 days. During this time, essential municipal services were successfully maintained through administration’s contingency plans which resulted in variances within municipal operating expenditures. Other factors contributing to the \$2.4 million increase in expenses over 2024 include RCMP contract increases, the rising cost of IT maintenance and professional services, emergency repairs to equipment and facilities, and economic inflationary impacts

FINANCIAL OPERATIONS

that increased the cost of regular operating expenses such as fuel, insurance and electricity.

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

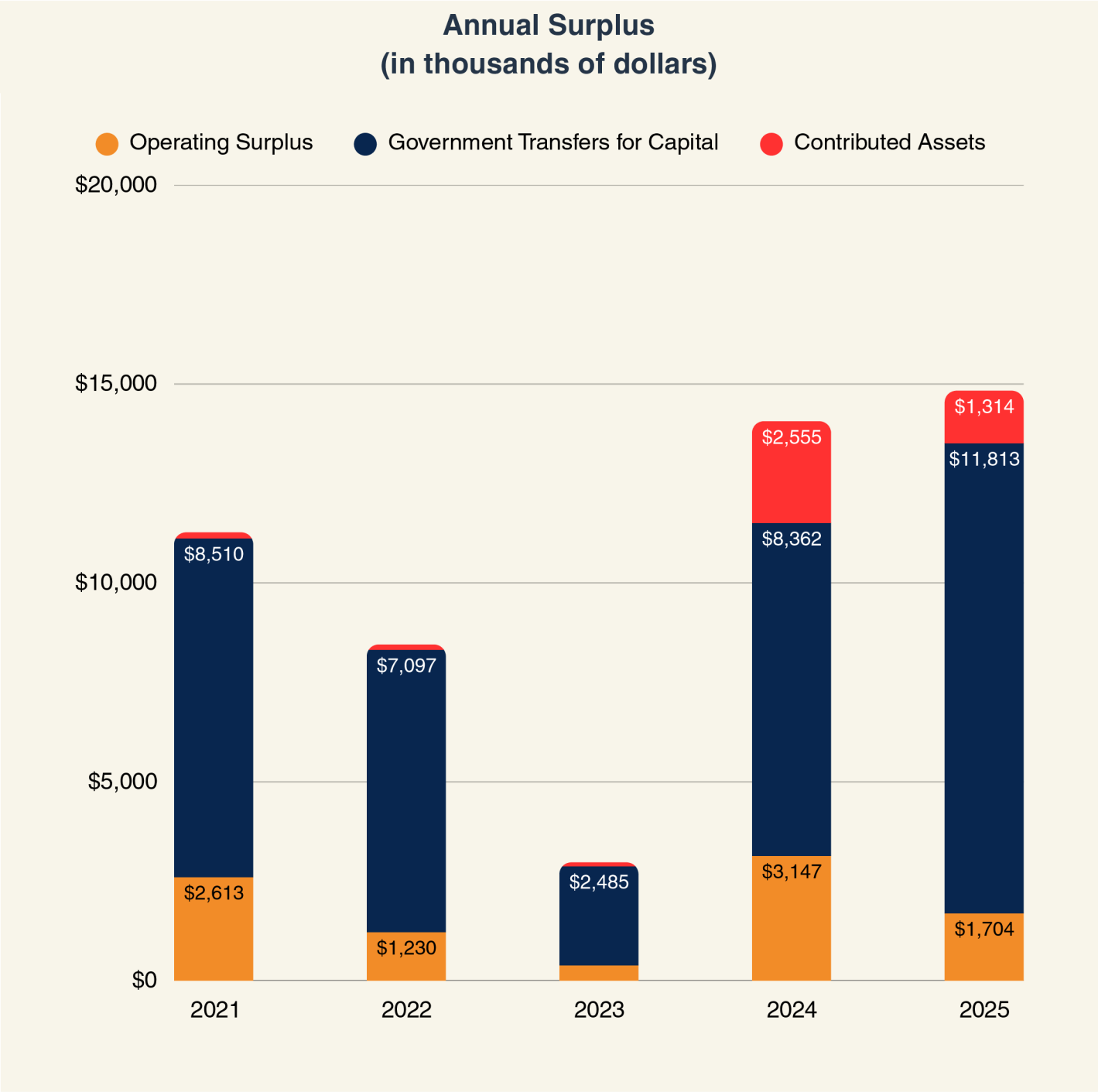
- \$0.9 million under budget in General Government mostly due to a delay in starting the tax incentive program for new development. This was offset by overbudget expenditures in IT equipment and professional fees, and a loss on the sale of municipal property.
- \$0.3 million over budget in Protective Services due to unforeseen maintenance and repair costs, combined with the operational pressures from rising call volumes.
- \$0.4 million under budget in Transportation Services due to staff vacancies, and overall lower fleet operating costs related to the labour dispute.
- Less than \$0.1 million under budget in Planning, Development and Engineering due to offsetting variances in wages and professional fees.
- \$0.1 million over budget in Recreation and Culture due to higher facility operating costs and maintaining essential municipal services throughout the labour dispute.
- \$0.2 million over budget in Environmental Services due to increased consumption and growth (water meters, bins, etc.)



FINANCIAL OPERATIONS

Annual Surplus

The annual surplus is the difference between the current year’s excess of revenues over expenditures. The Town’s annual surplus in 2025 before contributions and transfers relating to capital was \$1.7 million (2024 - \$3.1 million). The annual surplus after capital revenues was \$14.8 million in 2025 (2024 - \$14.1 million).



MEETING FUTURE CHALLENGES

Inflation

The rising costs of construction, materials, supplies and services have forced municipalities to develop strategies for providing adequate service levels to residents while maintaining fiscal responsibility. This includes the need for innovative and creative solutions, such as using cost/benefit analysis for potential projects (spend now vs delay) and investing in public/private partnerships.

Municipal Revenue

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.

CANADIAN AWARD FOR FINANCIAL REPORTING

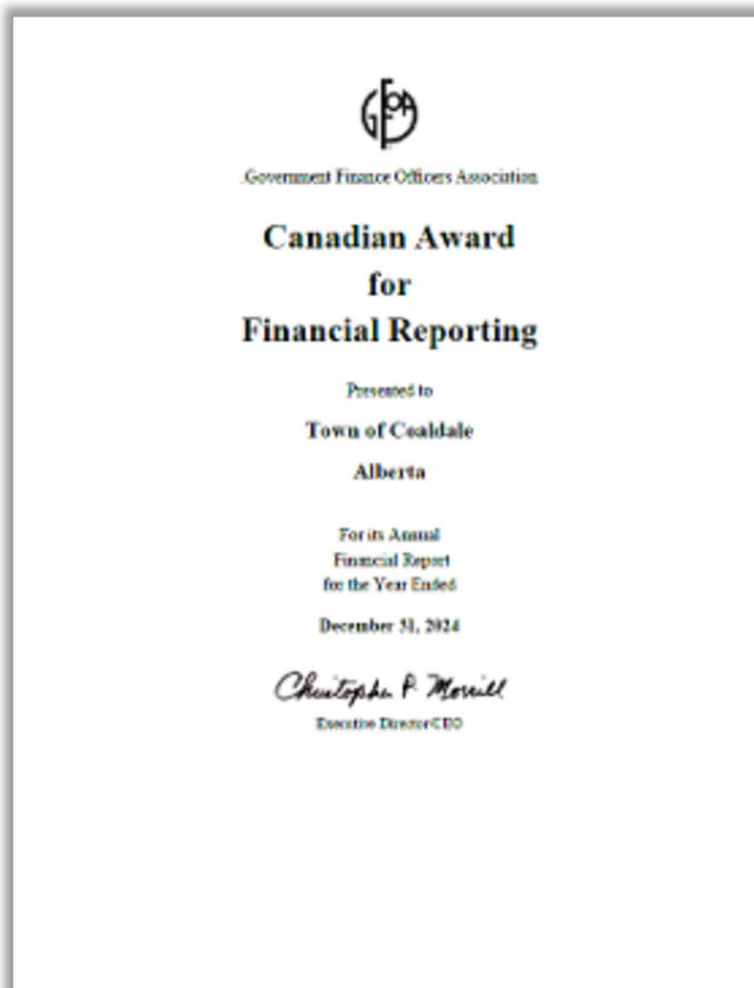
Recognizing Excellence

Transparent and Accountable Financial Reporting

Government Finance Officers Association of the 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, 2024. 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 awarded 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.



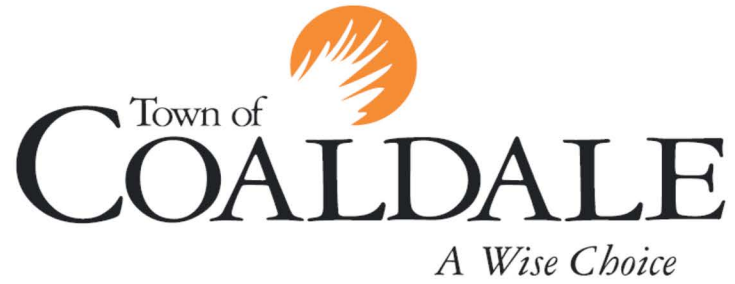


CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

Town of Coaldale, Alberta, Canada

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STATE



Consolidated Financial Statements
Town of Coaldale, Alberta, Canada
For the Year Ended December 31, 2025

May 19, 2026

To the Mayor and Council Members of Town of Coaldale:

Re: Management's Responsibility for Reporting

Management of the Town of Coaldale is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the Town's consolidated financial position as at December 31, 2025, and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards. Consolidated financial statements are not precise, since they include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated 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 maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained and assets are properly accounted for and safeguarded.

Town Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for authorizing the appointment of the Town's external auditors.

The consolidated financial statements have been audited by the independent firm of MNP LLP. Their report to the members of Town of Coaldale Council, stating the scope of their examination and opinion on the consolidated financial statements follows.

Respectfully,



Kalen Hastings, CAO

To the Mayor and Council of Town of Coaldale:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2025, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net financial debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

The consolidated financial statement for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on April 28, 2025.

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

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

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

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

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

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

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

- ☐ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☐ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☐ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Municipality as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Lethbridge, Alberta

May 19, 2026

MNP LLP

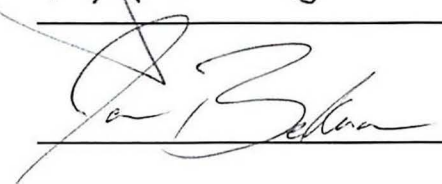
Chartered Professional Accountants

Town of Coaldale
Consolidated Statement of Financial Position
For the Year Ended December 31, 2025

	2025	2024
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 9,017,492	\$ 5,634,045
Receivables		
Taxes and grants in place of taxes (Note 3)	1,681,860	960,079
Trade and other receivables (Note 3)	8,426,218	6,773,156
Land held for resale	1,128,813	1,504,323
Investments (Note 4)	6,807,907	11,114,834
Loan receivable (Note 5)	587,512	608,726
	<u>27,649,802</u>	<u>26,595,163</u>
Liabilities		
Accounts payable and accrued liabilities	6,033,074	5,475,770
Deposit liabilities	504,202	177,492
Deferred revenue (Note 7)	3,450,399	8,874,141
Employee benefit obligation (Note 8)	346,876	414,505
Asset retirement obligation (Note 9)	8,395,291	8,395,291
Long-term debt (Note 11 and 12)	19,804,321	15,509,115
	<u>38,534,163</u>	<u>38,846,314</u>
Net Financial Debt	<u>(10,884,361)</u>	<u>(12,251,151)</u>
Non-Financial Assets		
Tangible capital assets (Schedule 2)	182,964,591	169,221,006
Other assets (Note 13)	137,499	416,913
Inventory for consumption	251,355	251,355
	<u>183,353,445</u>	<u>169,889,274</u>
Accumulated Surplus (Schedule 1, Note 15)	<u>\$ 172,469,084</u>	<u>\$ 157,638,123</u>

Commitments & Contingencies (Note 20, 21)

 Mayor Jack Van Rijn

 Deputy Mayor Jason Beekman

See accompanying notes to the financial statements

Town of Coaldale
Consolidated Statement of Operations
For the Year Ended December 31, 2025

	Budget (Note 24)	2025	2024
Revenues			
Net municipal property taxes (Note 16)	\$ 12,555,139	\$ 12,210,929	\$ 10,493,520
User fees and sale of goods and services	8,291,001	8,357,344	8,012,271
Government transfers for operating (Note 17)	1,456,326	1,266,062	1,864,347
Land development	-	-	937,039
Development levies	1,351,266	1,351,266	1,317,085
Franchise fees	1,730,000	1,655,130	1,420,057
Investment income	425,000	420,979	154,028
Fines and penalties	170,000	340,709	709,411
Licences, permits and fees	277,500	415,867	517,717
Other	48,611	599,747	255,340
	26,304,843	26,618,033	25,680,815
Expenses			
General government			
General administration	3,330,801	2,415,767	1,305,317
Council and other legislative	483,614	479,270	426,255
Protective Services			
Police	2,632,967	2,782,480	2,300,829
Fire	1,569,588	1,730,207	1,668,809
Bylaw enforcement and emergency management	410,539	351,157	515,281
Transportation services			
Roads, streets, walks and lighting	3,929,911	3,501,422	3,615,211
Planning, development and engineering			
Engineering	766,116	796,703	804,971
Planning, development and communications	1,072,527	1,039,384	846,989
Recreation and culture			
Parks and recreation	3,895,187	3,916,682	3,186,040
Community services, libraries and facilities	2,034,608	2,135,632	1,904,624
Family and community support	72,500	76,500	69,528
Environmental services			
Wastewater treatment and disposal	1,915,959	1,886,146	2,034,276
Water supply and distribution	2,078,716	2,148,128	2,084,421
Storm and drainage	638,387	791,382	841,015
Waste management	901,357	863,281	929,970
	25,732,777	24,914,141	22,533,536
Annual Surplus Before Capital Revenues	572,066	1,703,892	3,147,279

See accompanying notes to the financial statements

Town of Coaldale
Consolidated Statement of Operations
For the Year Ended December 31, 2025

	Budget (Note 24)	2025	2024
Capital Revenues			
Contributed tangible capital assets (Schedule 2)	963,429	1,314,030	2,555,097
Government transfers related to capital (Note 17)	11,813,039	11,813,039	8,362,158
	12,776,468	13,127,069	10,917,255
Annual Surplus	13,348,534	14,830,961	14,064,534
Accumulated Surplus, Beginning of Year	157,638,123	157,638,123	143,573,589
Accumulated Surplus, End of Year	\$ 170,986,657	\$ 172,469,084	\$ 157,638,123

See accompanying notes to the financial statements

Town of Coaldale
 Consolidated Statement of Remeasurement Gains and Losses
 For the Year Ended December 31, 2025

	2025		2024	
Accumulated Remeasurement Gains (Losses), Beginning of Year	\$	-	\$	-
Unrealized gains (losses) attributed to:				
Equity investments		-		-
Amounts reclassified to statement of operations				
Equity investments realized gains		-		-
Net remeasurement gains (losses) for the year		-		-
Accumulated Remeasurement Gains (Losses), End of Year	\$	-	\$	-

See accompanying notes to the financial statements

Town of Coaldale
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
For the Year Ended December 31, 2025

	Budget (Note 24)	2025	2024
Annual Surplus	\$ 13,348,534	\$ 14,830,961	\$ 14,064,534
Net acquisition of tangible capital assets	(18,735,689)	(17,516,691)	(18,211,850)
Tangible capital assets received as contributions	(963,429)	(1,314,030)	(2,555,097)
Proceeds on sale of tangible capital assets	-	322,718	-
Amortization of tangible capital assets	4,767,879	4,767,879	4,427,572
Loss (gain) on disposal of tangible capital assets	-	(3,461)	6,719
	(14,931,239)	(13,743,585)	(16,332,656)
Acquisition of supplies inventory	-	(251,355)	(251,355)
Use of supplies inventory	-	251,355	251,355
Acquisition of other assets	-	(137,499)	(188,009)
Use of other assets	789,762	416,913	812,262
	789,762	279,414	624,253
(Increase) / Decrease in Net Debt	(792,943)	1,366,790	(1,643,869)
Net Financial Debt, Beginning of Year	(12,251,151)	(12,251,151)	(10,607,282)
Net Financial Debt, End of Year	\$ (13,044,094)	\$ (10,884,361)	\$ (12,251,151)

See accompanying notes to the financial statements

Town of Coaldale
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025

	2025	2024
Net Inflow (Outflow) of Cash Related to the Following Activities:		
Operating		
Annual surplus	\$ 14,830,961	\$ 14,064,534
Deduct items not affecting cash:		
Amortization of tangible capital assets	4,767,879	4,427,572
Net gain on disposal of tangible capital assets	(3,461)	6,719
Contributed tangible capital assets	(1,314,030)	(2,555,097)
Change in non-cash items:		
Receivables	(2,374,843)	(4,498,914)
Loan receivable	21,214	20,193
Land for resale	375,510	404,012
Other assets	279,414	624,253
Accounts payable and accrued liabilities	557,304	1,319,580
Asset retirement obligation	-	670,669
Deposit liabilities	326,710	(35,500)
Deferred revenue	(5,423,742)	6,749,395
Employee benefit obligation	(67,629)	152,221
Cash provided by operating transactions	11,975,287	21,349,637
Capital		
Acquisition of tangible capital assets	(17,516,691)	(18,211,850)
Proceeds on sale of tangible capital assets	322,718	-
Cash applied to capital transactions	(17,193,973)	(18,211,850)
Investing		
Proceeds on disposal of investments	6,750,000	5,750,000
Purchase of investments	(2,545,000)	(4,750,000)
Decrease (increase) in investments	101,927	176,089
Cash provided by investing transactions	4,306,927	1,176,089
Financing		
Proceeds from long-term debt issued	5,634,000	-
Long-term debt repaid	(1,338,794)	(2,154,337)
Cash provided by (applied to) financing transactions	4,295,206	(2,154,337)
Change in Cash and Equivalents During the Year	3,383,447	2,159,539
Cash and Equivalents, Beginning of Year	5,634,045	3,474,506
Cash and Equivalents, End of Year	9,017,492	5,634,045

See accompanying notes to the financial statements

Town of Coaldale
Schedule 1 - Changes in Accumulated Surplus
For the Year Ended December 31, 2025

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2025	2024
Annual Surplus	\$ 14,830,961	\$ -	\$ -	\$ 14,830,961	\$ 14,064,534
Unrestricted funds designated for future use	(8,621,586)	8,621,586	-	-	-
Restricted funds for operations	712,429	(712,429)	-	-	-
Restricted funds for tangible capital assets	-	(2,885,610)	2,885,610	-	-
Current year funds used for tangible capital assets	(14,631,081)	-	14,631,081	-	-
Contributed tangible capital assets	(1,314,030)	-	1,314,030	-	-
Disposal of tangible capital assets	319,257	-	(319,257)	-	-
Amortization expense	4,767,879	-	(4,767,879)	-	-
Long term debt issued	5,634,000	-	(5,634,000)	-	-
Long term debt repaid (capital)	(1,338,794)	-	1,338,794	-	-
	(14,471,926)	5,023,547	9,448,379	-	-
Change in Accumulated Surplus	359,035	5,023,547	9,448,379	14,830,961	14,064,534
Balance, Beginning of Year	1,500,000	10,821,523	145,316,600	157,638,123	143,573,589
Balance, End of Year	\$ 1,859,035	\$ 15,845,070	\$ 154,764,979	\$ 172,469,084	\$ 157,638,123

See accompanying notes to the financial statements

Town of Coaldale
Schedule 2 - Tangible Capital Assets
For the Year Ended December 31, 2025

	2024	Additions	Contributed	Disposals	2025
Cost					
Land	\$ 18,296,155	\$ 387,500	\$ -	\$ (281,573)	\$ 18,402,082
Land improvements	8,149,341	761,660	1,035,296	(110,268)	9,836,029
Engineered structures	143,041,824	6,417,591	229,807	-	149,689,222
Buildings	46,576,081	241,617		(20,974)	46,796,724
Machinery and equipment	5,415,777	535,391	37,555	(149,190)	5,839,533
Vehicles	4,698,404	53,561	-	(25,481)	4,726,484
Work in progress					
Land improvements	4,158,027	189,557		(4,158,027)	189,557
Engineered structures	6,946,884	13,180,244	11,372	-	20,138,500
Buildings	92,403			(92,403)	-
	237,374,896	21,767,121	1,314,030	(4,837,916)	255,618,131
Accumulated Amortization					
Land improvements	2,264,965	336,434	-	(110,162)	2,491,237
Engineered structures	51,406,152	2,863,628	-	-	54,269,780
Buildings	9,229,818	1,092,538	-	(14,896)	10,307,460
Machinery and equipment	2,753,377	282,336	-	(117,690)	2,918,023
Vehicles	2,499,578	192,943	-	(25,481)	2,667,040
	68,153,890	4,767,879	-	(268,229)	72,653,540
Net Book Value	\$ 169,221,006				\$ 182,964,591

Tangible capital asset additions and disposals include transfers of work in progress (WIP) as follows:

Total additions to tangible capital assets	21,767,121
Less transfers from work in progress	
Land improvements (WIP) to engineered structures	(4,080,277)
Land improvements (WIP) to land improvements	(77,750)
Buildings (WIP) to buildings	(92,403)
Total acquisition of tangible capital assets	17,516,691

See accompanying notes to the financial statements

Town of Coaldale
Schedule 3 - Segmented Disclosure
For the Year Ended December 31, 2025

	General Government	Protective Services	Transportation Services	Planning, Development & Engineering	Recreation & Culture	Environmental Services	Total	Budget
Revenue								
Net municipal property taxes (Note 16)	\$ 11,815,529	\$ -	\$ -	\$ -	\$ 395,400	\$ -	\$ 12,210,929	\$ 12,555,139
User fees and sale of goods and services	47,227	837,244	3 52	-	1,111,643	6,360,878	8,357,344	8,291,001
Operating government transfers (Note 17)	130,116	930,868	-	102,700	102,378	-	1,266,062	1,456,326
Land development	-	-	-	1,351,266	-	-	1,351,266	1,351,266
Franchise fees	1,655,130	-	-	-	-	-	1,655,130	1,730,000
Investment income	420,979	-	-	-	-	-	420,979	425,000
Other	279,056	195,879	98,134	287,047	312,104	184,103	1,356,323	496,111
	14,348,037	1,963,991	98,486	1,741,013	1,921,525	6,544,981	26,618,033	26,304,843
Expenses								
Salaries, wages and benefits	1,343,506	1,264,129	796,706	1,348,441	2,765,389	733,702	8,251,873	8,548,512
Contracted and general services	955,807	3,011,720	411,146	325,121	733,111	1,031,436	6,468,341	6,097,938
Materials, goods and utilities	456,952	279,666	791,292	19,077	780,537	1,731,282	4,058,806	4,047,150
Transfers to local boards and agencies	-	6,109	-	-	272,323	204,926	483,358	284,500
Bank charges and short-term interest	10,616	-	-	-	13,556	-	24,172	10,000
Interest on long-term debt	-	49,956	44,101	107,661	226,454	196,039	624,211	641,798
Amortization of tangible capital assets	19,562	219,464	1,458,071	-	1,281,366	1,789,416	4,767,879	4,767,879
Other expenses	108,594	32,800	1 06	35,787	56,078	2,136	235,501	1,335,000
	2,895,037	4,863,844	3,501,422	1,836,087	6,128,814	5,688,937	24,914,141	25,732,777
Capital Revenue								
Contributed assets	-	25,000	229,807	-	1,047,851	11,372	1,314,030	963,429
Capital government transfers (Note 17)	-	-	4,136,159	838,349	715,351	6,123,180	11,813,039	11,813,039
	-	25,000	4,365,966	838,349	1,763,202	6,134,552	13,127,069	12,776,468
Annual Surplus (Deficit)	\$ 11,453,000	\$ (2,874,853)	\$ 963,030	\$ 743,275	\$ (2,444,087)	\$ 6,990,596	\$ 14,830,961	\$ 13,348,534

See accompanying notes to the financial statements

Town of Coaldale
Schedule 3 - Segmented Disclosure
For the Year Ended December 31, 2024

	General Government	Protective Services	Transportation Services	Planning, Development & Engineering	Recreation & Culture	Environmental Services	Total	Budget
Revenue								
Net municipal property taxes (Note 16)	\$ 10,102,920	\$ -	\$ -	\$ -	\$ 390,600	\$ -	\$ 10,493,520	\$ 10,473,199
User fees and sale of goods and services	44,086	1,034,582	3,817	-	931,305	5,998,481	8,012,271	7,717,564
Operating government transfers (Note 17)	130,116	1,540,639	-	-	130,893	62,699	1,864,347	1,400,812
Land development	-	-	-	2,254,124	-	-	2,254,124	2,138,531
Franchise fees	1,420,057	-	-	-	-	-	1,420,057	1,324,875
Investment income	154,028	-	-	-	-	-	154,028	200,000
Other	298,784	550,016	662	406,253	211,953	14,800	1,482,468	1,054,650
	12,149,991	3,125,237	4,479	2,660,377	1,664,751	6,075,980	25,680,815	24,309,631
Expenses								
Salaries, wages and benefits	1,275,234	1,377,174	898,625	1,092,946	2,305,388	764,574	7,713,941	7,614,534
Contracted and general services	624,028	2,551,852	384,729	339,466	486,674	1,071,019	5,457,768	6,080,844
Materials, goods and utilities	329,866	250,958	867,023	18,342	869,099	1,362,443	3,697,731	3,901,410
Transfers to local boards and agencies	-	-	-	108,250	279,733	228,303	616,286	646,105
Bank charges and short-term interest	5,980	1 00	-	-	7,617	-	13,697	8,750
Interest on long-term debt	-	51,357	40,175	92,956	236,560	131,929	552,977	624,109
Amortization of tangible capital assets	19,562	225,878	1,424,553	-	975,121	1,782,458	4,427,572	4,427,572
Other expenses	- 523,098	27,600	1 06	-	-	548,956	53,564	35,000
	1,731,572	4,484,919	3,615,211	1,651,960	5,160,192	5,889,682	22,533,536	23,338,324
Capital Revenues								
Contributed assets	-	-	-	1,933,302	397,750	224,045	2,555,097	2,191,097
Capital government transfers (Note 17)	-	-	544,600	1,588,841	3,397,273	2,831,444	8,362,158	7,874,087
	-	-	544,600	3,522,143	3,795,023	3,055,489	10,917,255	10,065,184
Annual Surplus (Deficit)	\$ 10,418,419	\$ (1,359,682)	\$ (3,066,132)	\$ 4,530,560	\$ 299,582	\$ 3,241,787	\$ 14,064,534	\$ 11,036,491

See accompanying notes to the financial statements

Town of Coaldale

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

The Town of Coaldale (the Town) is a municipality in the Province of Alberta and operates under the provisions of the *Municipal Government Act*, R.S.A., 2000, c.M-26, as amended (MGA).

1. Significant Accounting Policies

The consolidated financial statements of the Town (hereafter referred to as the "consolidated financial statements") are the representations of management and are prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board and as published by the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

A. Reporting Entity

The consolidated financial statements reflects the assets, liabilities, revenues and expenditures, changes in fund balances and change in consolidated financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources.

Included with the municipality are the following:

- Coaldale Public Library
- Condominium Corporation 2310296 (60% ownership)

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the reporting entity. The statements exclude trust assets that are administered for the benefit or external parties. Interdepartmental and organization transactions and balances are eliminated.

B. Basis of Accounting

The consolidated 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 obligations to pay.

C. Revenue Recognition

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payer. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits, rental revenues and other revenues are recognized as earned. Franchise fees and concession revenues are recognized monthly based on the term of the agreement as earned.

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.

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 or goods have yet to be provided. Revenue is recognized in the period when the related expenses are incurred, services performed, goods provided or the tangible capital assets are acquired.

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

Town of Coaldale

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

D. Government Transfers

Government transfers are the transfers 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 consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized and any eligibility criteria have been met except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

E. Tax Revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

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

F. Deferred Revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met.

Interest earned on deferred revenues, including offsite levies, and reserves are calculated using an average investment earnings monthly rate.

G. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition, or are redeemable, and are held for the purpose of meeting short-term cash commitments rather than for investing.

H. Asset Retirement

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the consolidated 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best 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. As the factors to calculate the present value method cannot be determined, the cost escalation method was used.

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 inflation as an addition to the asset and liability. 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 Coaldale

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

I. Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, 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 the Town is either directly responsible or accepts responsibility and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

J. Land Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes cost for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling 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.

K. Financial Instruments

Cash is measured at cost and amortized cost. Accounts receivable are measured at the lower of cost or net recoverable value. Loans receivable are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Loans receivable are subsequently measured at amortized cost net of any valuation allowances. Accounts payable and accrued liabilities are measured at cost. Deposit liabilities and long-term debt are measured at amortized cost. The carrying amount of each of these financial instruments is presented on the consolidated statement of financial position.

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. When the investment is disposed of, the accumulated gains or losses are reclassified to the consolidated statement of operations. Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. 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. Investments are externally managed and consist of investments in guaranteed investment certificates with banks.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations. When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Town does not have any equity investments that give rise to remeasurement gains and losses.

L. Use of Estimates

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

Management has used estimates to determine any provision for amounts receivable or impairment in the value of investments and tangible capital assets; the useful lives of tangible capital assets; the value of contributed tangible capital assets; and accrued liabilities for employee benefit obligations, asset retirement obligations and contaminated sites remediation.

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

There is measurement uncertainty related to asset retirement obligations as it involves estimates in determining settlement amounts, discount rates and timing of settlement. Changes to any of these estimates and assumptions may result in changes to the obligation.

M. Requisitions Over-Levy and Under-Levy

Over-levies and under-levies arise from the difference between the actual property tax 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.

N. 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 annual surplus, provides the consolidated change in net financial assets 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, or betterment 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:

Land improvements	15 - 50 years
Buildings	25 - 75 years
Machinery and equipment	5 - 40 years
Vehicles	10 - 40 years
Engineered structures	5 - 75 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value.

ii. Contributed Tangible Capital Assets

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

iii. Leases

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

iv. Inventory of Materials and Supplies

Inventory of materials and supplies are valued at the lower of average cost and net realizable value.

v. Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

O. Future Accounting Standard Pronouncements

The following summarizes the upcoming changes to Canadian public sector accounting standards. In 2026, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of the standard adoption may vary, certain standards must be adopted concurrently.

i. The Conceptual Framework of Financial Reporting in the Public Sector

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The Conceptual Framework highlights considerations fundamental for the consistent application of accounting issues in the absence of the specific standards. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

ii. Financial Statement Presentation

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

2. Cash and Cash Equivalents

	2025	2024
Cash	\$ 5,970,894	\$ 5,634,045
Cash equivalents	-	-
Restricted cash		
Capital grants (Note 7)	2,385,989	-
Trust and deposit liabilities	660,609	-
	\$ 9,017,492	\$ 5,634,045

Cash and cash equivalents consist of cash on hand and balances with financial institutions. The Town maintains a savings account that earns interest at the bank's prime rate less 1.65%, and an operating account that earns interest at tiered rates (2024 - bank's prime rate less 1.50%) based on the daily closing balance:

Prime rate less 1.90% on balances up to \$2,499,999
Prime rate less 1.80% on balances between \$2,500,000 and \$4,999,999
Prime rate less 1.70% on balances exceeding \$5,000,000

3. Receivables

	2025	2024
Trade accounts receivable	\$ 2,244,919	\$ 3,056,635
Allowance for doubtful accounts	(73,671)	(181,632)
Government accounts receivable		
Grants	5,709,118	3,431,457
GST	540,961	437,334
Other	4,891	29,362
	8,426,218	6,773,156
Property taxes		
Current taxes and grants in place of taxes	1,229,479	846,699
Arrears taxes and interest and penalties	452,381	113,380
	1,681,860	960,079
	\$ 10,108,078	\$ 7,733,235

4. Investments

	2025		2024	
	Carrying Value	Market Value	Carrying Value	Market Value
Guaranteed bonds - amortized cost	\$ 1,807,907	\$ 1,795,105	\$ 6,364,834	\$ 6,286,605
Guaranteed deposits - amortized cost	1,000,000	1,000,000	4,000,000	4,000,000
Short-term notes and deposits - amortized cost	4,000,000	4,000,000	750,000	750,000
	\$ 6,807,907	\$ 6,795,105	\$ 11,114,834	\$ 11,036,605

Guaranteed bonds mature at various dates between August 2026 and June 2031, with an average effective annual yield of 3.00% (2024 - 3.40%).

Guaranteed deposits have an effective interest rate of 3.50% (2024 - 4.80% to 4.83%), with maturity dates greater than one year (June 2027).

Short-term notes and deposits have effective interest rates of 4.80% to 4.83% (2024 - 5.20%), and mature in less than one year (July 2026).

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

5. Loan Receivable

Loan receivable of \$587,512 (2024 - \$608,726) with an effective interest rate of 5%. The loan is repayable in monthly principal and interest payments of \$4,238, secured by a registered caveat on the title of the property, and is due in 2043.

6. Trust Assets Held Under Administration

The Town acts as a trustee for a number of third parties, holding assets comprised of cash and temporary investments, and administering them on their behalf. Amounts held in trust at year-end are as follows:

	2025	2024
Friends of the Arena:		
Local community groups	\$ 89,695	\$ 70,668
Town of Coaldale portion	44,847	35,334
	\$ 134,542	\$ 106,002

7. Deferred Revenue

Deferred revenue is comprised of the funds noted below, the use of which is externally restricted. These funds are recognized as revenue in the period they are used for the purpose specified.

Interest earned on contributions is included in contributions received. Certain deferred revenues relate to government transfers as further described in Note 17.

	2025	2024
Government contributions (1)	\$ 2,385,989	\$ 7,868,797
Shift Community Recreation Centre - Naming rights (2)	416,667	466,667
Other deferred revenue	455,666	374,761
Prepaid taxes & utilities	192,077	163,916
	\$ 3,450,399	\$ 8,874,141

(1) Government contributions in deferred revenue are listed in the table below.

(2) The Town has entered into a 10-year agreement with Shift REI Admin Ltd., for naming rights of the Shift Community Recreation Centre for \$500,000. The agreement is effective May 1, 2024, expiring April 30, 2034. Revenue is recognized evenly over the term.

	2024	Received / Receivable	Revenue Recognized	2025
Drought and Flood Protection Program	\$ 2,973,921	\$ 76,966	\$ 959,536	\$ 2,091,351
Alberta Community Resilience Program	2,513,142	25,519	2,371,725	166,936
Alberta Municipal Water/Wastewater Partnership	2,324,331	35,389	2,359,720	-
Canada Community-Building Fund	-	1,144,706	1,063,150	81,556
Investing in Canada Infrastructure Program	-	1,176,549	1,153,752	22,797
Local Government Fiscal Framework	-	1,343,087	1,343,087	-
Other Grants	57,403	23,349	57,403	23,349
	\$ 7,868,797	\$ 3,825,565	\$ 9,308,373	\$ 2,385,989

Drought and Flood Protection Program (DFPP)

The Town received funding under the provincial Drought and Flood Protection Program for the South Coaldale Regional Stormwater Facility. These funds are subject to external stipulations requiring they be used exclusively for eligible design and construction costs that improve the Town's resilience to drought and flood events.

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

Canada Community-Building Fund (CCBF)

The CCBF (formerly the Federal Gas Tax Fund) is provided by the Government of Canada under an administrative agreement with the Province of Alberta. These funds are restricted to capital infrastructure projects that meet national objectives for productivity, a clean environment, and strong cities.

Local Government Fiscal Framework (LGFF)

The LGFF Capital program is authorized under the Local Government Fiscal Framework Act. Funds are allocated annually based on a formula and are restricted to eligible capital infrastructure projects. Unspent funds may be carried forward for a maximum of five years from the year of allocation. Interest earned on these funds is restricted for the same eligible purposes.

8. Employee Benefit Obligations

	2025	2024
Accrued wages	\$ 163,551	\$ 294,036
Accrued vacation & overtime (1)	183,325	120,469
	\$ 346,876	\$ 414,505

(1) Vacation and overtime: This liability is comprised of the vacation and overtime the employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

9. Asset Retirement Obligation

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on estimates of the amount required to retire the tangible capital asset and subsequently re-measured considering any new information and the appropriateness of assumptions used.

The asset retirement obligation estimate is measured at the current cost to settle. Due to uncertainty about when the hazardous materials would be removed, the present value technique is not used and the cost escalation method was used.

Per 2120.28, disclosure of the nature and effect on the current period may be desirable for a change in an accounting estimate that is rare or unusual and that may affect the financial results of both current and future periods. There were no changes in the accounting estimates used in the current year.

	2025	2024
Balance, beginning of year	\$ 8,395,291	\$ 7,724,622
Liabilities incurred	-	-
Liabilities settled	-	(27,843)
Change in estimated cash flows	-	698,512
Inflation expense	-	-
Estimated total liability	\$ 8,395,291	\$ 8,395,291

Asbestos abatement

The Town owns multiple buildings which contain asbestos and, therefore, the Town is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.

Engineered structures

The Town owns and operates a sewage lagoon wastewater treatment facility where there is a legal obligation for decommissioning and land reclamation upon the permanent retirement of the assets from service. Retirement costs include decommissioning of the infrastructure, reclamation of land surface, revegetation, and work around water considerations according to the method the retirement obligation is likely to be fulfilled.

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

		2025	2024
Engineered structures	\$	6,672,853	\$ 6,672,853
Asbestos abatement		1,722,438	1,722,438
Estimated total liability	\$	8,395,291	\$ 8,395,291

During the year, the Town purchased land and property located at 2106 19 St (old John Davidson School). The building is no longer in productive use and is planned for demolition in 2027. The estimated abatement costs of \$50,000 were budgeted for in 2024 and expensed in 2025, with the resulting liability recorded in accounts payable.

10. Liability for Contaminated Sites

The Town did not identify any financial liabilities in 2025 (2024 - nil) as a result of contaminated sites.

11. Long-Term Debt

		2025	2024
Tax supported debentures	\$	11,516,811	\$ 12,021,749
Utility supported debentures		6,037,510	3,487,366
Long-term debt related to capital expenditures		17,554,321	15,509,115
Operating bank loan related to capital expenditures		2,250,000	-
	\$	19,804,321	\$ 15,509,115

Principal and interest payments on long-term debt for the next five years and thereafter are as follows:

		Principal	Interest	Total
2026	\$	3,264,632	\$ 548,616	\$ 3,813,248
2027		1,046,335	516,913	1,563,248
2028		2,130,447	483,801	2,614,248
2029		1,113,974	401,244	1,515,218
2030		1,135,084	380,133	1,515,217
Thereafter		11,113,849	2,331,092	13,444,941
	\$	19,804,321	\$ 4,661,799	\$ 24,466,120

Debenture debt is repayable to Alberta Treasury Board and Finance, bearing interest at rates ranging from 2.69% to 4.57% and matures in annual amounts in periods 2028 through 2049. The average annual interest rate is 3.16% (2024 - 3.02%).

The Town has authorized operating credit facilities with ATB Financial of \$3,843,000 (2024 - nil), bearing interest at the bank's prime rate less 0.25%. The credit facilities are due on demand. At December 31, 2025, the balance outstanding was \$2,250,000 (2024 - nil). The unused portion of the facilities at year-end was \$1,593,000.

Long-term debt is issued on credit and security of the Town at large.

Interest on the long-term debt amounted to \$624,211 (2024 - \$552,997).

The Town's total cash payments for interest amounted to \$629,725 (2024 - \$563,041).

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

12. Debt Limits and Debt Servicing Limit

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town be disclosed as follows:

	2025	2024
Total debt limit per Regulation	\$ 39,927,050	\$ 38,521,223
Total debt	19,804,321	15,509,115
Percentage used (%)	49.60	40.26
Total debt service limit per Regulation	\$ 6,654,508	\$ 6,420,204
Total debt service	3,813,248	1,411,227
Percentage used (%)	57.30	21.98

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) 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.

13. Other Assets

	2025	2024
Other assets held for resale:		
Buildings	\$ -	\$ 228,904
Prepaid expenses - operational	137,499	188,009
	\$ 137,499	\$ 416,913

14. Equity in Tangible Capital Assets

	2025	2024
Tangible capital assets (Schedule 2)	\$ 255,618,131	\$ 237,374,896
Accumulated amortization (Schedule 2)	(72,653,540)	(68,153,890)
Long-term debt (Note 11)	(19,804,321)	(15,509,115)
Asset retirement obligation (Note 9)	(8,395,291)	(8,395,291)
	\$ 154,764,979	\$ 145,316,600

15. Accumulated Surplus

Accumulated surplus consists of unrestricted, restricted amounts and equity in tangible capital assets.

	2025	2024
Unrestricted surplus	\$ 1,859,035	\$ 1,500,000
Restricted surplus:		
Reserves for future operating expenditures	4,220,416	1,259,416
Tax rate stabilization	806,457	780,647
Condominium Corporation 2310296	106,374	70,962
Library		
Internal loans, repaid in future year	(1,780,336)	(3,487,810)
Reserves for future capital expenditures		
Utilities	4,851,523	4,668,115
Construction and general capital expenditures	3,410,275	3,990,111
Facilities	2,222,243	1,828,916
Fleet and general equipment	2,008,118	1,711,166
	15,845,070	10,821,523
Equity in tangible capital assets (Note 14)	154,764,979	145,316,600
	\$ 172,469,084	\$ 157,638,123

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

16. Net Municipal Property Taxes

	Budget	2025	2024
Municipal Taxes:			
Real property taxes	\$ 16,227,120	\$ 16,009,047	\$ 13,513,412
Special tax recreation levy	391,500	395,400	390,600
Linear property taxes	150,000	146,891	144,351
Revenue in lieu of taxes	90,000	90,315	84,566
	16,858,620	16,641,653	14,132,929
Less Requisitions:			
Alberta School Foundation Fund	3,637,080	3,757,509	3,050,898
Holy Spirit Roman Catholic Separate Regional District	460,837	461,839	399,774
Green Acres Foundation	205,564	211,376	188,737
	4,303,481	4,430,724	3,639,409
Net Municipal Property Taxes	\$ 12,555,139	\$ 12,210,929	\$ 10,493,520

17. Government Transfers

	Budget	2025	2024
Operating transfers:			
Provincial	\$ 1,211,576	\$ 1,214,155	\$ 1,733,246
Federal	7,500	7,960	-
Other local governments	237,250	43,947	131,101
	1,456,326	1,266,062	1,864,347
Capital transfers:			
Provincial	10,822,308	10,822,308	6,027,781
Federal	952,631	952,631	2,296,935
Other local governments	38,100	38,100	37,442
	11,813,039	11,813,039	8,362,158
Total government transfers	\$ 13,269,365	\$ 13,079,101	\$ 10,226,505

18. Local Authorities Pension Plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

	2025	2024
Current service contributions by Employer	\$ 474,106	\$ 443,459
Current service contributions by Employee	422,437	395,061
	\$ 896,543	\$ 838,520

The Town is required to make current service contributions to the Plan of 8.45% of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 11.65% thereafter. Employees of the Town are required to make current service contributions of 7.45% of pensionable salary up to YMPE and 10.65% thereafter. Contributions for current service are recorded as expenses in the year in which they become due.

The LAPP reported a surplus for the overall plan as at December 31, 2024 of \$19.6 billion. Information as at December 31, 2025 was not available at the time of preparing these consolidated financial statements.

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

19. Salary and Benefit Disclosures

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

	Salaries (1)	Benefits (2)	2025	2024
Mayor:				
Van Rijn	\$ 5 2,200	\$ 4,823	\$ 57,023	\$ 55,793
Councillors:				
Abrey	2 8,861	9,791	38,652	38,962
Beekman	2 8,561	9,766	38,327	38,100
Chapman	2 9,761	9,868	39,629	39,386
Pickering	2 9,061	9,808	38,869	39,386
Reis	2 9,261	5,763	35,024	34,152
Sailer	2 8,561	9,766	38,327	38,221
	226,266	59,585	285,851	284,000
Chief Administrative Officer	2 24,177	44,444	268,621	252,988
Designated Officers (2025 - 2, 2024 - 2)	2 60,088	62,970	323,058	394,071
	\$ 710,531	\$ 166,999	\$ 877,530	\$ 931,059

(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, long-term disability and health care spending.

20. Commitments

The Town entered into a Municipal Police Service Agreement with the Government of Canada for the Royal Canadian Mounted Police to provide policing services until March 31, 2032. The agreement may be terminated on March 31 in any year by either party giving 24 months notice prior to the date of the intended termination. As part of the agreement, the RCMP provides a five-year forecast that is updated annually where the Town will pay 100% of the actual cost of providing the service. The total annual cost for 2026 under the terms of the agreement are estimated to be \$2,574,248.

The Town entered into an agreement with Benchmark Assessment Consultants Inc. for the supply of assessment services of all lands and premises within the Town's boundaries for taxation purposes until June 30, 2027. The annual fee is calculated using a fixed rate per parcel (2026 - \$30.00, 2027 - \$30.50). The total annual cost for 2026 under the terms of the agreement are estimated to be \$119,000.

The Town contracts with Nerds on Site Inc. to provide information technology support services for the Town of Coaldale. The agreement, which is set to expire on December 31, 2028, is based on a fixed monthly fee for the provision of IT support services (2026 - \$10,295, 2027 - \$10,605, 2028 - \$10,925). The total annual cost for 2026 under the terms of the agreement are estimated to be \$123,540.

The Town contracts with GFL Environmental Inc. to provide solid waste, composting and recycling collection services until 2027. The annual cost is based on an operating budget provided to the Town annually. The total annual cost for 2026 under the terms of the agreement are estimated to be \$460,200.

The Town contracts with the Lethbridge Regional Water Services Commission to supply water to the Town until January 30, 2030. The related agreement may be terminated at any time provided 12 months notice is given. The annual cost is based on the actual cost of water as set out by the City of Lethbridge Water Rates bylaw plus charges for operating and maintenance, and a capital equipment replacement surcharge of \$0.025 per cubic meter. The total annual cost for 2026 under the terms of the agreement are estimated to be \$1,514,103.

21. Contingencies

The Town is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the membership, the Town 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.

Town of Coaldale

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

In 2025, the Town entered into an agreement with Canadian Pacific Railway ("CPKC") related to the use and maintenance of a rail spur which was constructed by the Town, and located on CPKC boundaries. Under the terms of the agreement, upon termination of the agreement, CPKC may, at the Town's expense and within a period of two years from the termination date, remove the Town's track from CPKC's right-of-way between two defined points, including all track materials, and restore any pavement, sidewalks, or other improvements.

The town has a contingent liability to pay for the cost to remove and restore the land described above, based on the terms of the agreement. As at December 31, 2025, no termination has occurred. The Town will continue to monitor the agreement and will recognize a liability if it becomes likely that the Town will need to pay removal and restoration costs, and the amount can be reasonably estimated.

22. Segment Disclosures

The Town provides a diverse range of services to its residents. For management reporting, the Town's operations are organized and reported by department. These departments are grouped into segments for financial reporting purposes. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Segments facilitate recording and reporting on specific activities to attain certain objectives in accordance with special regulations or limitations. The services and activities provided by the Town that are included for segment reporting and disclosure are as follows:

General Government

General Government includes council and other legislative, and general administration. These activities provide for the overall operation of the Town.

Protective Services

Protective Services include police, bylaw enforcement, fire, and emergency management. These services provide for public safety within the Town.

Transportation Services

Transportation Services include roads, streets, walks and lighting. These services provide safe, accessible, transportation infrastructure to connect residents and move goods within the Town, and oversight of the Town's equipment pool.

Planning, Development and Engineering

Planning, development and engineering includes land use planning, zoning, subdivision and land development. Other services include engineering and communications.

Recreation and Culture

Recreation and culture includes recreation, parks, and cultural facilities, such as the library. This segment includes operation of the facilities and related programming, family support services, and activities related to the Town's cemetery.

Environmental Services

Environmental Services include water supply and distribution, wastewater treatment and disposal, stormwater and waste management.

23. Financial Instruments

The Town is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Town's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these consolidated financial statements.

There have not been any changes from the prior year in the Town's exposure to above risks or the policies, procedures, and methods it uses to manage and measure the risks.

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 exposed to credit risk through its cash, investments and accounts receivable.

Town of Coaldale
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

The Town manages its credit risk by a credit approval process and holding cash at a provincially regulated bank in cash accounts insured up to 100% of all deposits fully guaranteed by the Government of Alberta. Management believes that the risk of default and the risk of concentration of credit risk is minimized by the fact that there is a large number and diversity of taxpayers. Receivables, comprised of amounts receivable from the Government of Alberta for grants, property taxes, and trade receivables, are subject to normal trade credit risk which is not significant as the Town manages and analyzes the outstanding accounts receivable balances.

Liquidity Risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to liquidity risk through its accounts payable and long-term debt.

The Town manages this risk by monitoring cash activities and expected outflows through budgeting, and has the ability to increase tax rates per bylaw in order to increase cash. Also to help manage the risk, the Town has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Town measures its exposure to liquidity risk based on extensive budgeting and applying for applicable grants.

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 is exposed to interest rate risk on long-term debt. The Town manages this risk by holding their long-term debt in a provincial debenture with a fixed interest rate.

24. Budget

Budgeted information was prepared under the modified accrual method. This note provides a reconciliation between the approved budget figures disclosed in the consolidated financial statements. The budget surplus was adopted by Council on December 9, 2024.

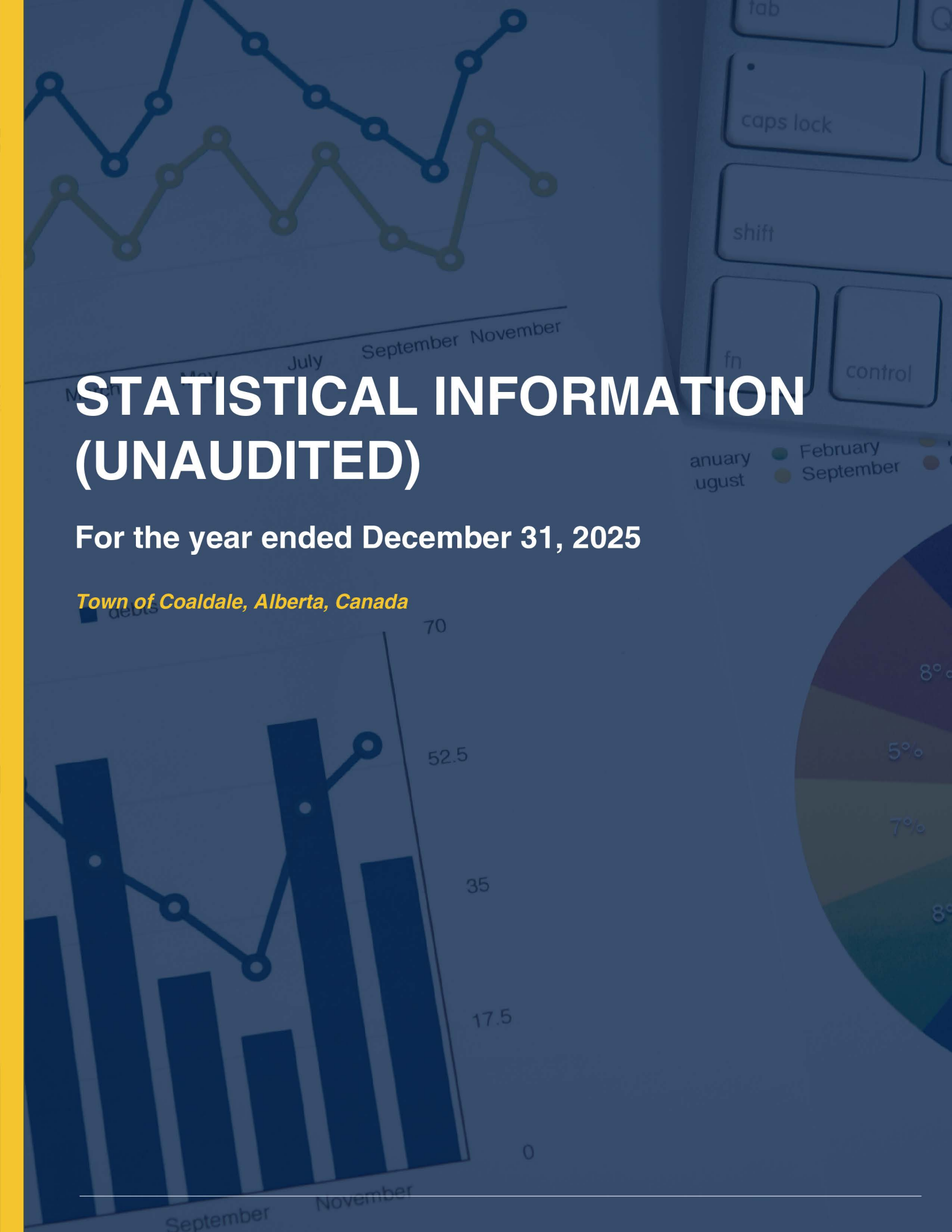
Annual surplus	\$	13,348,534
Add:		
Amortization expense		4,767,879
Transfers from reserves to operations		739,531
Less:		
Capital revenue		(12,776,468)
Transfer from operations to reserves		(3,342,630)
Development levies		(1,351,266)
Principal debt repayments		(1,336,880)
Land development		-
Net funds to consolidated entity removed		(48,700)
Approved budget surplus	\$	<u>-</u>

25. Subsequent Events

Subsequent to the fiscal year-end, the Town deposited \$1,900,000 into an escrow account for the purchase of water rights. The purchase will be funded by an operating credit facility with ATB Financial, bearing interest at the bank's prime rate less 0.25%, to be repaid within five years. The escrowed funds are to be released upon satisfaction of closing conditions which is expected to occur in 2026.

26. Approval of Consolidated Financial Statements

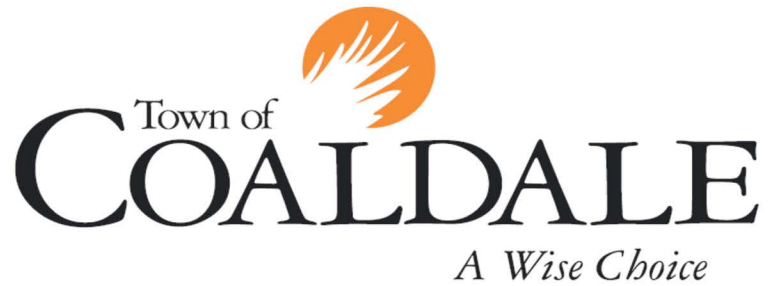
Council and Management have approved these consolidated financial statements.



STATISTICAL INFORMATION (UNAUDITED)

For the year ended December 31, 2025

Town of Coaldale, Alberta, Canada

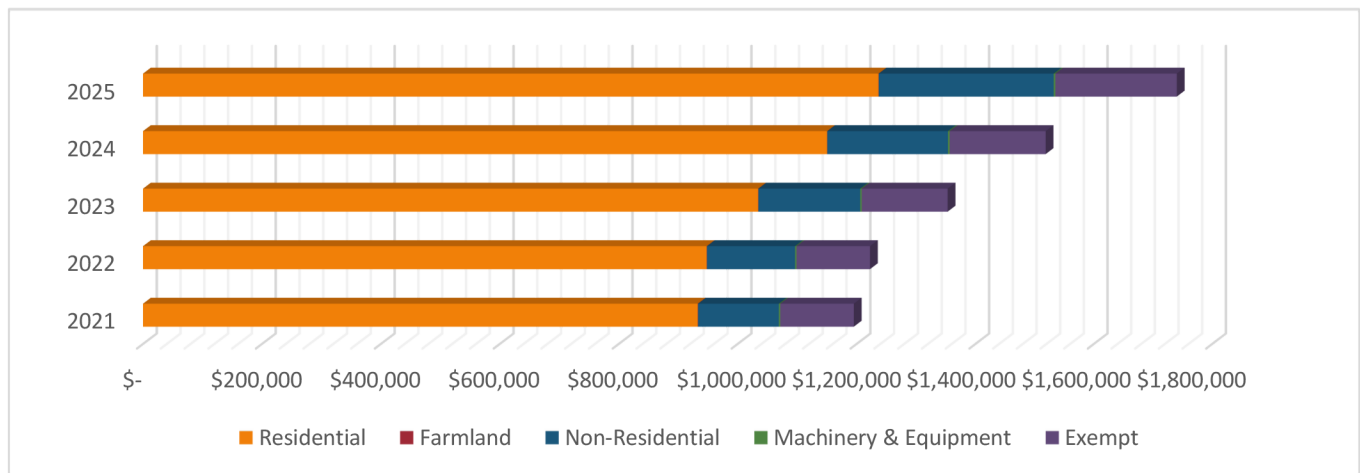


UNAUDITED STATISTICAL INFORMATION

**Town of Coaldale, Alberta, Canada
For the Year Ended December 31, 2025**

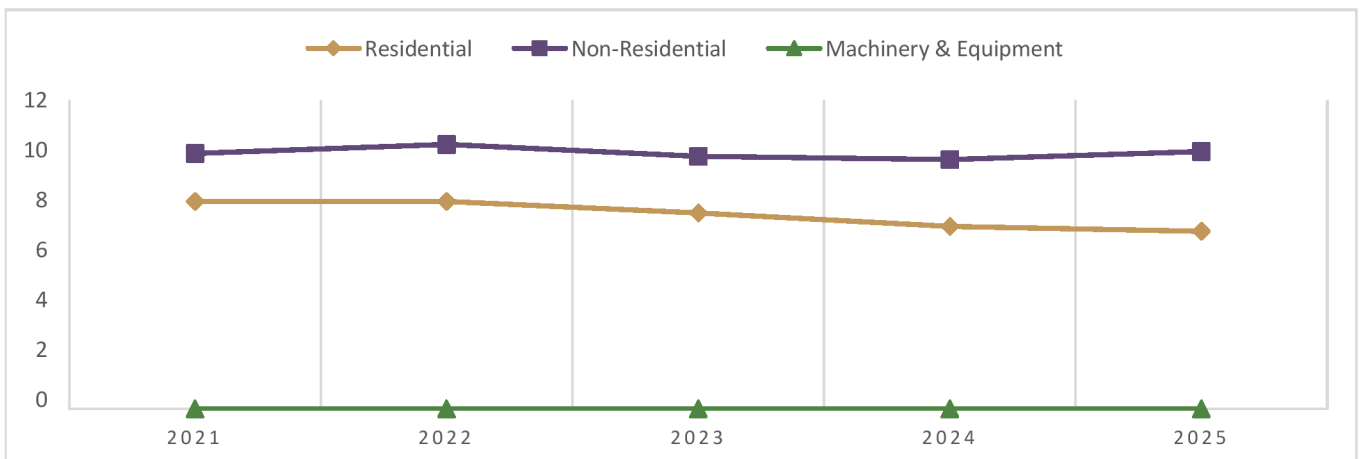
Total Property Assessments
For the years ended December 31, 2021 - 2025
(in thousands of dollars)

	2021	2022	2023	2024	2025
Residential	\$ 932,866	\$ 947,861	\$ 1,034,494	\$ 1,150,316	\$ 1,236,837
Farm land	439	392	390	345	341
Non-Residential	135,867	148,199	171,204	202,998	295,000
Machinery & Equipment	2,401	2,484	2,559	2,785	2,862
Exempt	123,796	123,599	144,419	162,167	205,157
Total Property Assessments	\$ 1,195,369	\$ 1,222,535	\$ 1,353,066	\$ 1,518,611	\$ 1,740,197



Municipal Tax Rates - MILLS

	2021	2022	2023	2024	2025
Residential	8.0628	8.0628	7.6161	7.0863	6.9017
Non-Residential	9.9272	10.2806	9.8208	9.69	10.0000
Machinery & Equipment	0.0000	0.0000	0.0000	0.0000	0.0000

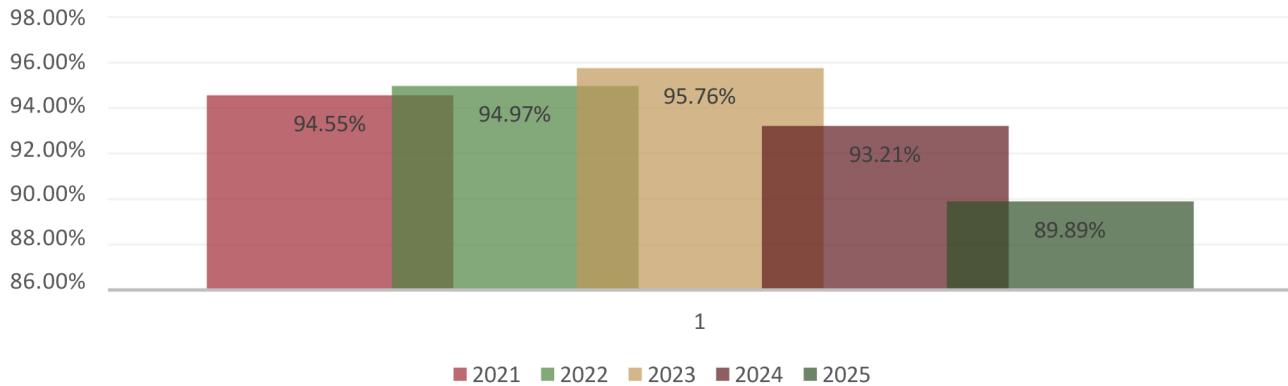


Taxes and Grants in Place of Taxes Receivable

For the years ended December 31, 2021 - 2025
(in thousands of dollars)

	2021	2022	2023	2024	2025
Current taxes and grants in place of taxes	\$ 479	\$ 458	\$ 418	\$ 847	\$ 1,230
Arrears taxes	187	182	142	113	452
Total	\$ 666	\$ 640	\$ 560	\$ 960	\$ 1,682

PERCENTAGE OF PROPERTY TAXES COLLECTED

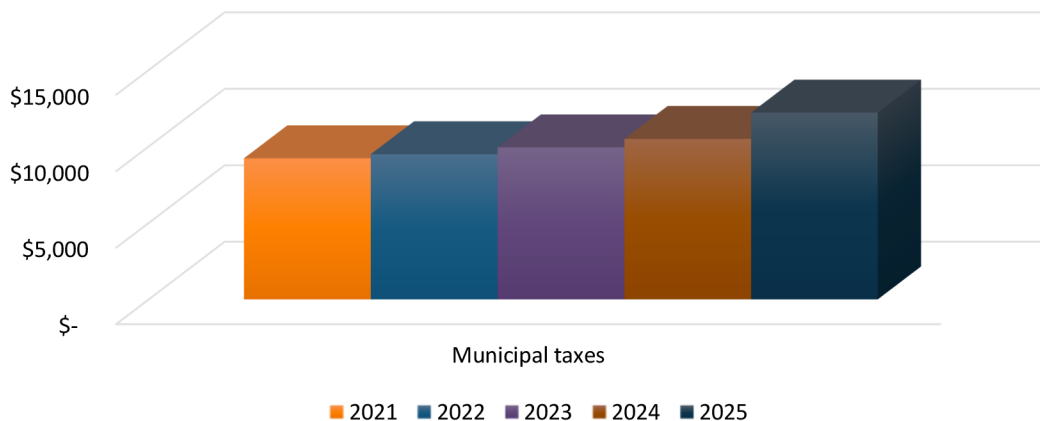


Property Taxes Collected

For the years ended December 31, 2021 - 2025
(in thousands of dollars)

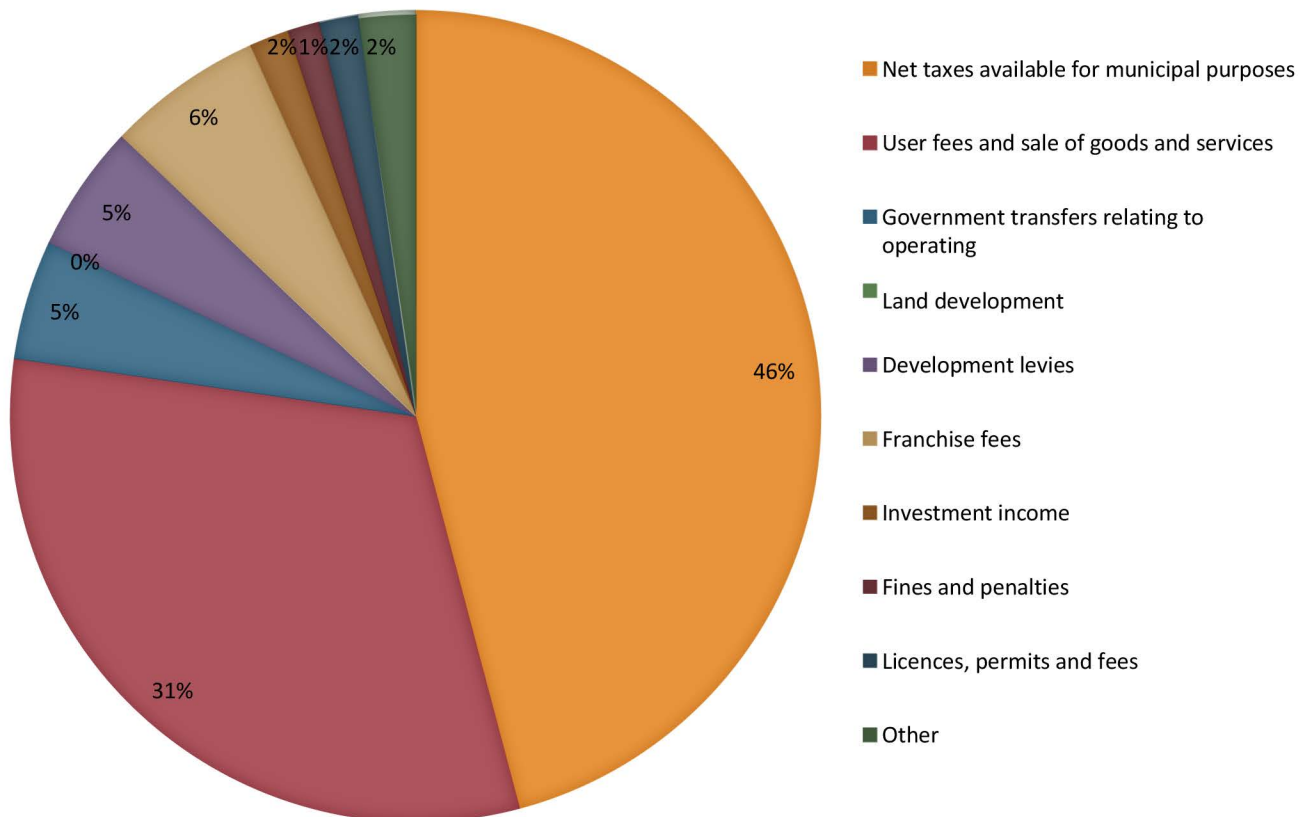
	2021	2022	2023	2024	2025
Municipal taxes	\$ 9,223	\$ 9,492	\$ 9,936	\$ 10,494	\$ 12,211
Educational requisition	2,852	3,057	3,097	3,450	4,220
Green Acres requisition	156	168	173	189	211
Taxes levied	12,231	12,717	13,206	14,133	16,642
Total taxes receivable	666	640	560	960	1,682
Percentage Collected	94.55%	94.97%	95.76%	93.21%	89.89%

MUNICIPAL PROPERTY TAXES



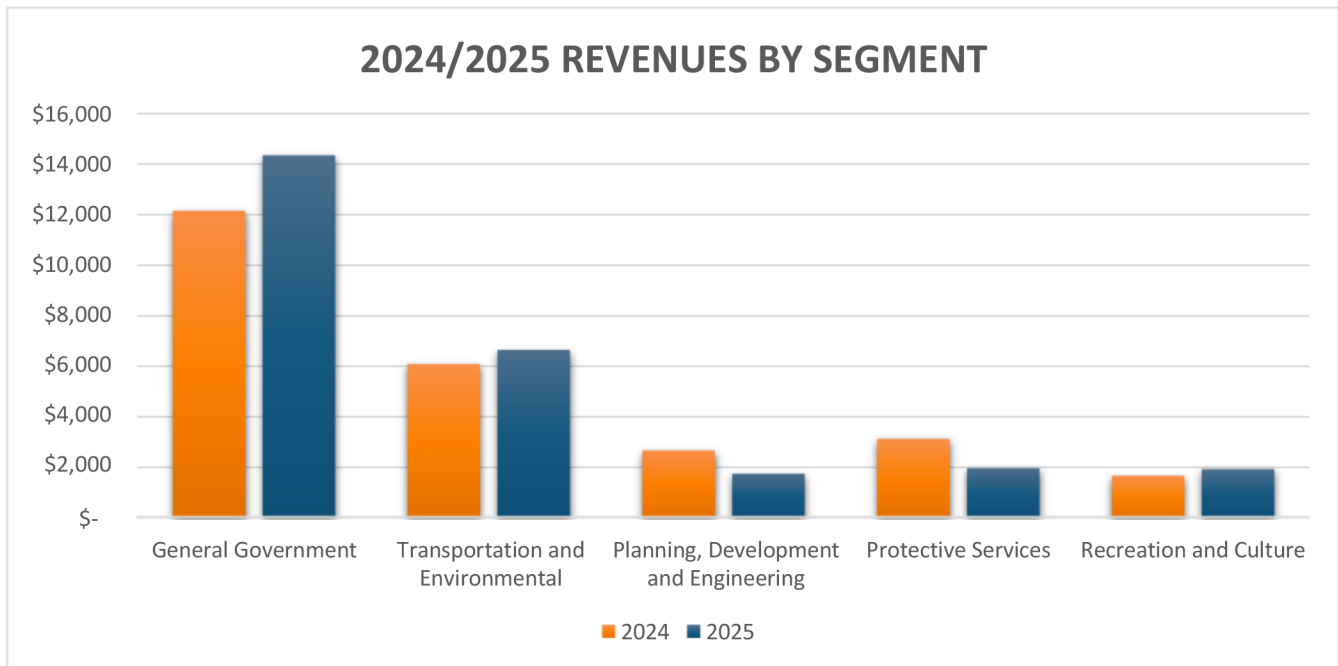
Revenues by Source
For the years ended December 31, 2021 - 2025
(in thousands of dollars)

	2021	2022	2023	2024	2025
Net taxes available for municipal purposes	\$ 9,223	\$ 9,492	\$ 9,936	\$ 10,494	\$ 12,211
User fees and sale of goods and services	5,887	6,198	7,232	8,012	8,357
Government transfers relating to operating	588	696	956	1,864	1,266
Land development	3,416	964	294	937	-
Development levies	-	-	-	1,317	1,351
Franchise fees	776	985	1,263	1,420	1,655
Investment income	300	399	350	154	421
Fines and penalties	573	708	743	710	341
Licences, permits and fees	278	322	227	518	416
Other	612	718	1,020	255	600
Total Revenue - before other	21,653	20,482	22,021	25,681	26,618
OTHER					
Contributed tangible capital assets	147	125	93	2,555	1,314
Government transfers related to capital	8,510	7,097	2,485	8,362	11,813
Total Other	8,657	7,222	2,578	10,917	13,127
Total Revenue	\$ 30,310	\$ 27,704	\$ 24,599	\$ 36,598	\$ 39,745



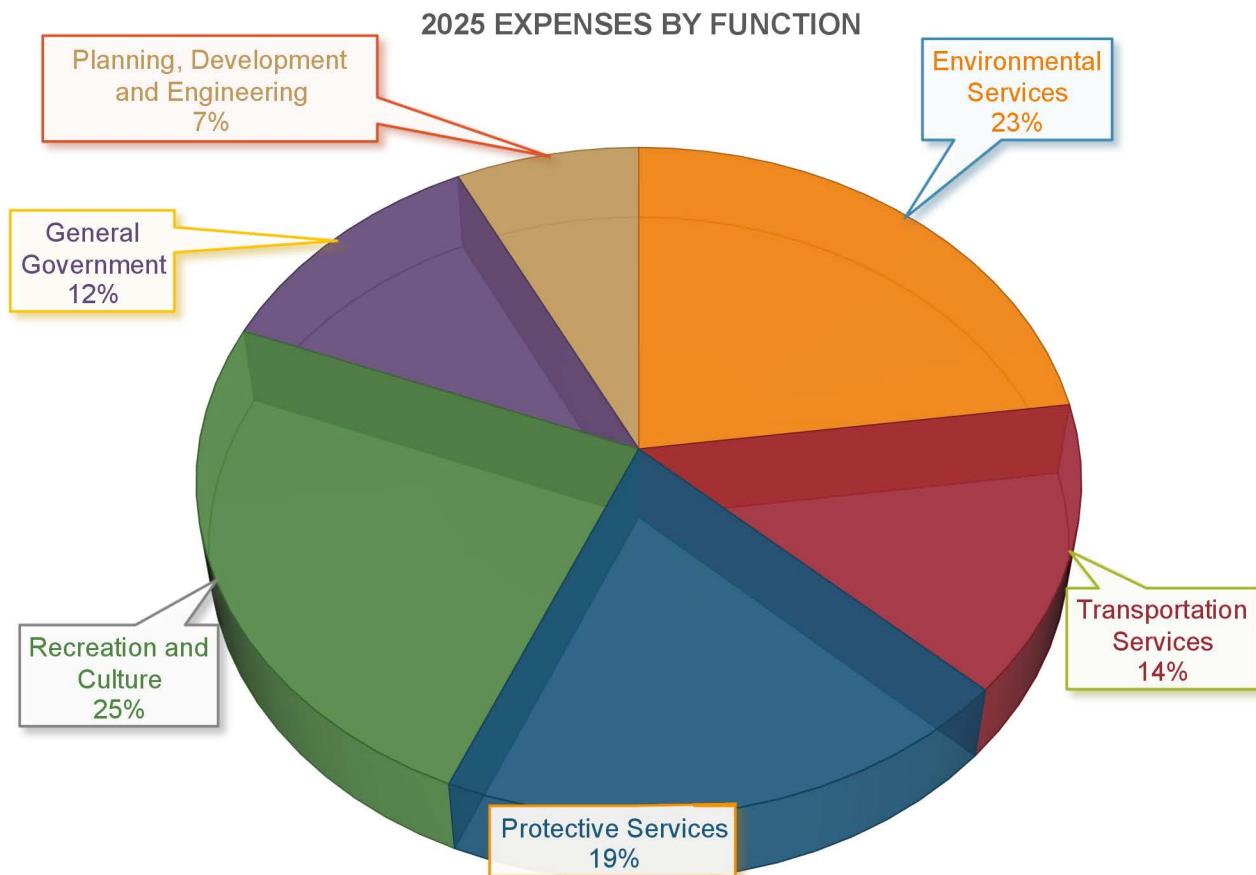
Revenues by Segment
For the years ended December 31, 2021 - 2025
(in thousands of dollars)

		2021		2022		2023		2024		2025
General Government	\$	10,188	\$	11,208	\$	12,350	\$	12,150	\$	14,348
Transportation and Environmental		4,932		5,241		6,017		6,081		6,643
Planning, Development and Engineering		3,672		949		421		2,660		1,741
Protective Services		1,363		1,452		1,935		3,125		1,964
Recreation and Culture		1,498		1,632		1,298		1,665		1,922
Total	\$	21,653	\$	20,482	\$	22,021	\$	25,681	\$	26,618



Expenses by Function
For the years ended December 31, 2021 - 2025
(in thousands of dollars)

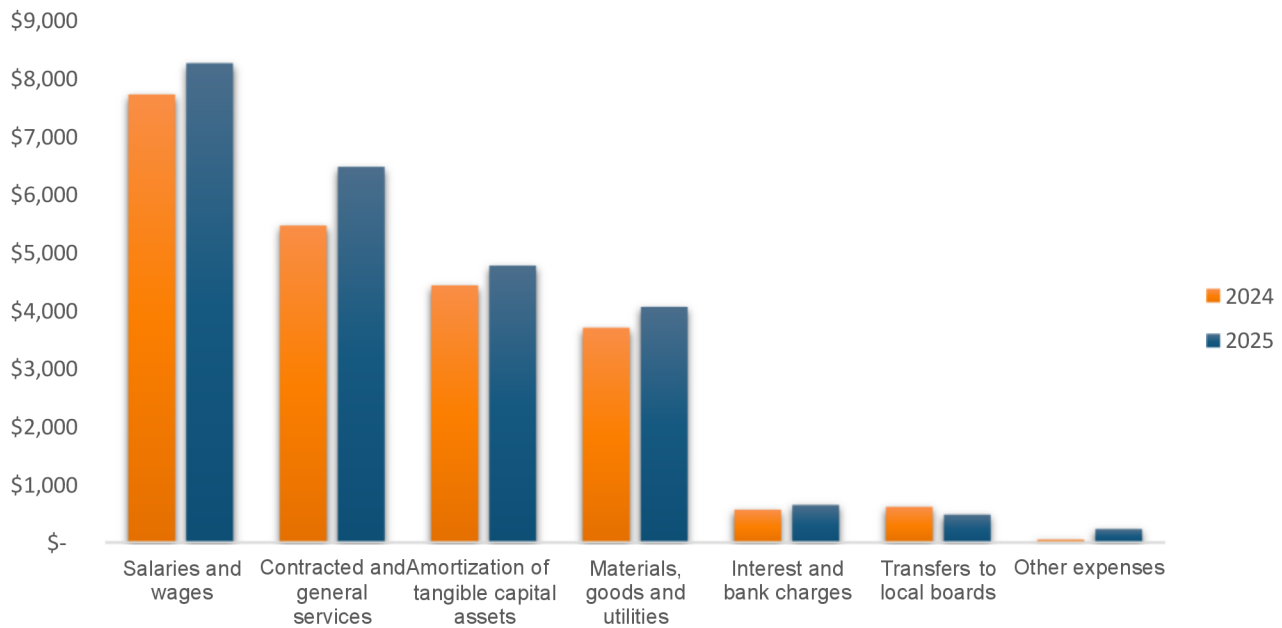
	2021	2022	2023	2024	2025
Environmental Services	\$ 4,283	\$ 4,623	\$ 5,623	\$ 5,890	\$ 5,689
Transportation Services	4,156	3,370	3,652	3,615	3,501
Protective Services	3,717	3,931	4,349	4,485	4,864
Recreation and Culture	3,293	3,852	4,120	5,160	6,129
General Government	2,106	2,096	1,971	1,732	2,895
Planning, Development and Engineering	1,485	1,381	1,909	1,652	1,836
Total	\$ 19,040	\$ 19,253	\$ 21,624	\$ 22,534	\$ 24,914



Expenses by Object
For the years ended December 31, 2021 - 2025
(in thousands of dollars)

	2021	2022	2023	2024	2025
Salaries and wages	\$ 5,782	\$ 6,095	\$ 6,861	\$ 7,714	\$ 8,252
Contracted and general services	6,064	5,701	6,223	5,458	6,468
Amortization of tangible capital assets	3,246	3,526	4,014	4,428	4,768
Materials, goods and utilities	2,724	2,991	3,398	3,698	4,059
Interest and bank charges	472	527	558	567	648
Transfers to local boards	268	278	508	616	483
Other expenses	484	135	62	53	236
Total	\$ 19,040	\$ 19,253	\$ 21,624	\$ 22,534	\$ 24,914

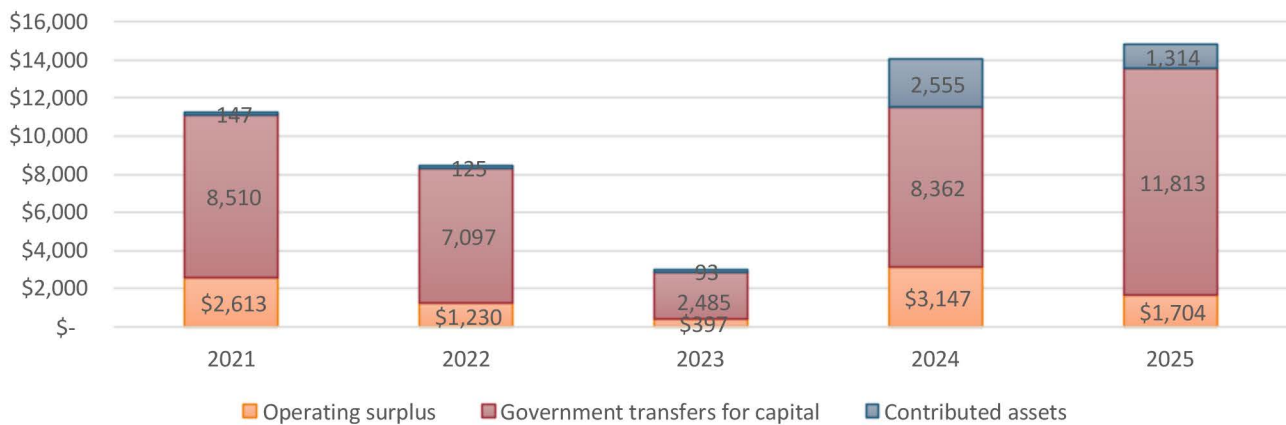
2024/2025 EXPENSES BY OBJECT



Annual & Accumulated Surplus As at December 31, 2021 - 2025 (in thousands of dollars)

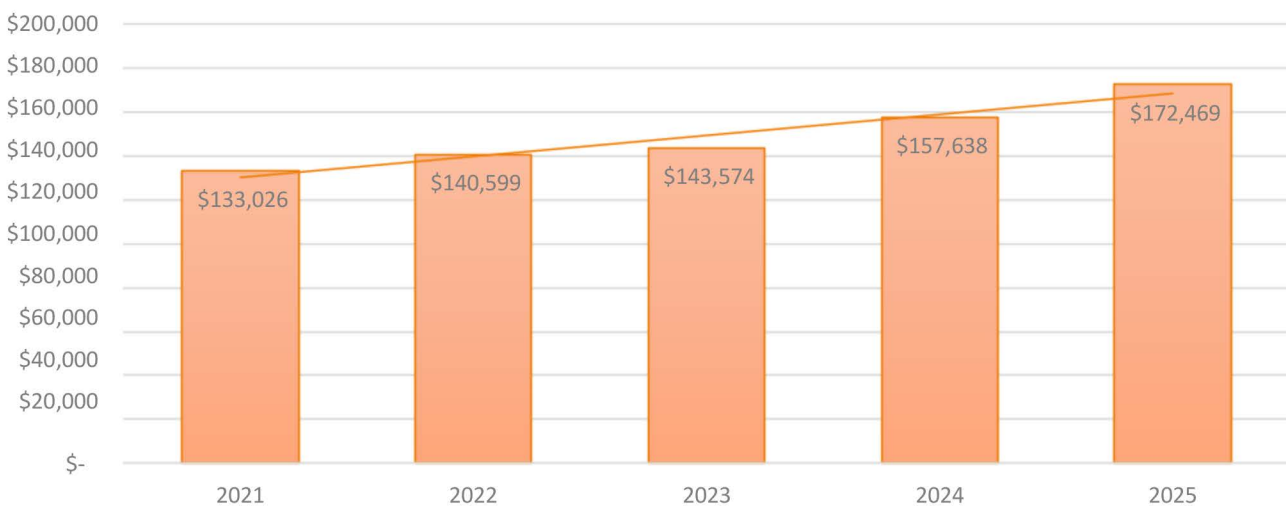
	2021	2022	2023	2024	2025
Operating surplus	\$ 2,613	\$ 1,230	\$ 397	\$ 3,147	\$ 1,704
Government transfers for capital	8,510	7,097	2,485	8,362	11,813
Contributed assets	147	125	93	2,555	1,314
Total Annual Surplus	\$ 11,270	\$ 8,452	\$ 2,975	\$ 14,064	\$ 14,831

Annual Surplus



	2021	2022	2023	2024	2025
Accumulated Surplus	\$ 133,026	\$ 140,599	\$ 143,574	\$ 157,638	\$ 172,469

Accumulated Surplus

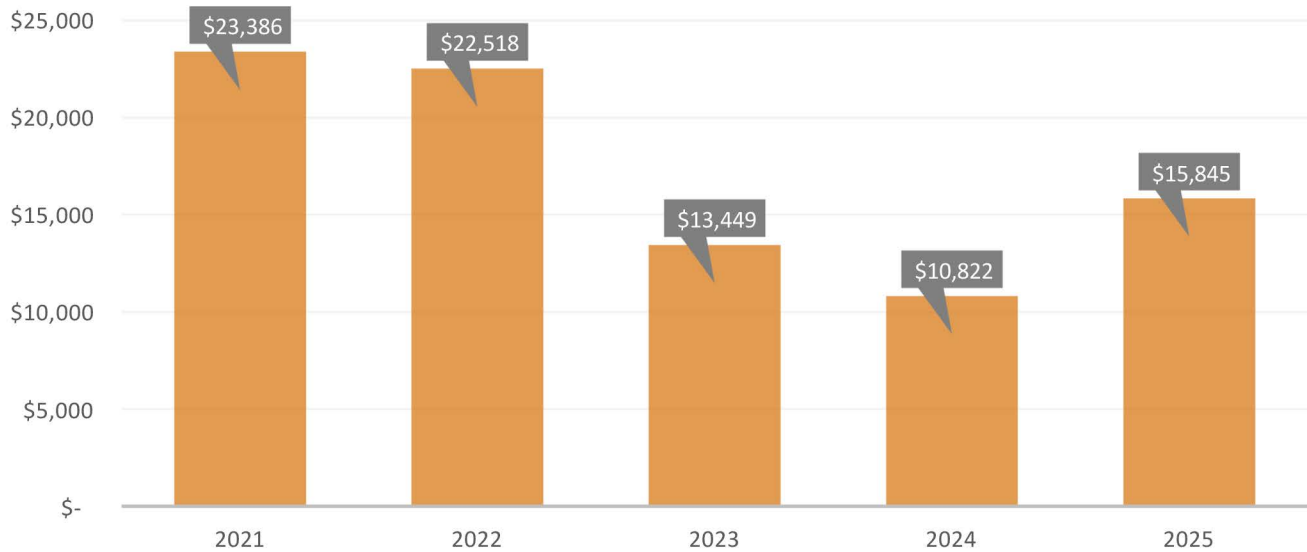


Restricted Surplus (Reserves) & Net Financial Assets (Debt)

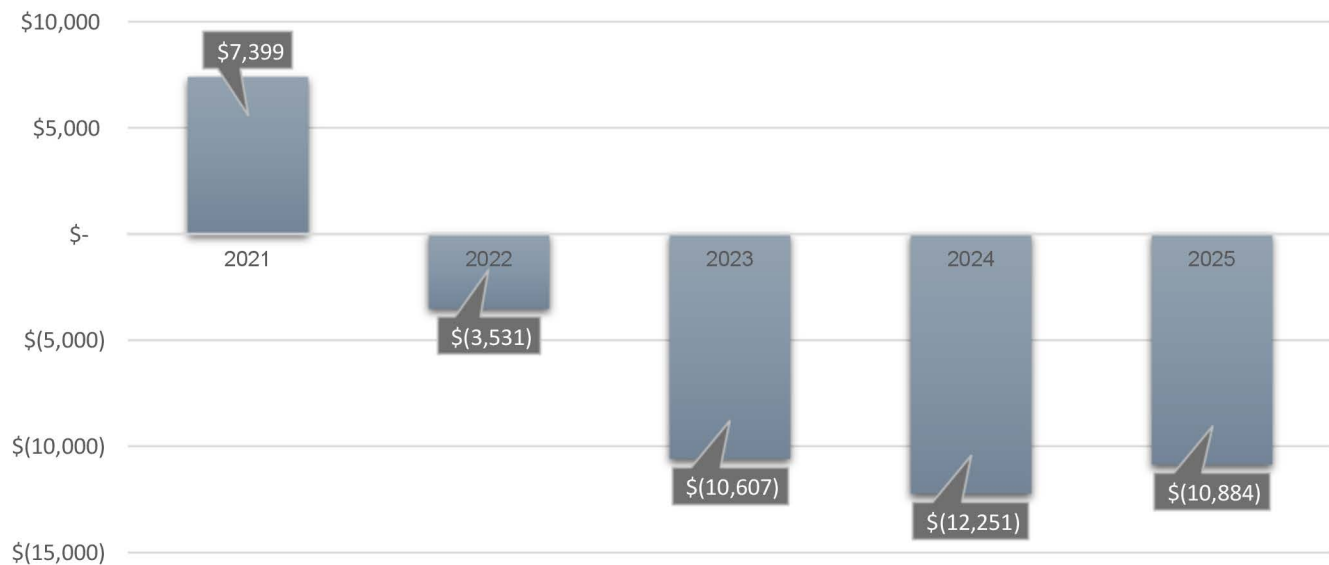
As at December 31, 2021 - 2025

(in thousands of dollars)

RESERVES



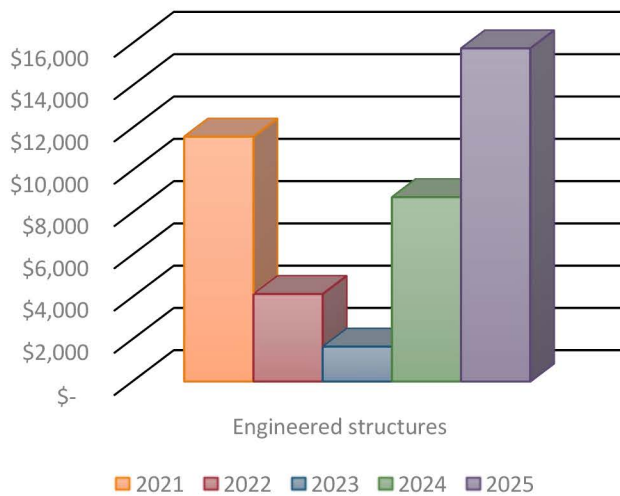
NET FINANCIAL ASSETS (DEBT)



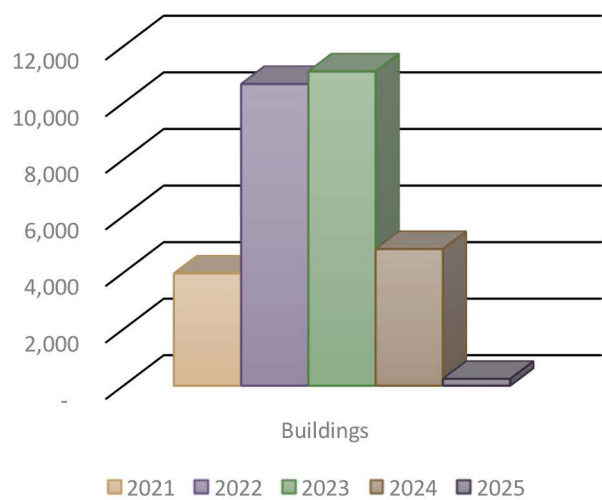
Capital Expenditures
For the years ended December 31, 2021 - 2025
(in thousands of dollars)

	2021	2022	2023	2024	2025
Engineered structures	\$ 11,588	\$ 4,145	\$ 1,653	\$ 8,726	\$ 15,759
Buildings	3,973	10,667	11,111	4,836	242
Land improvements	321	355	1,329	5,463	1,817
Land	319	-	1,863	515	387
Machinery and equipment	589	101	626	503	573
Vehicles	102	328	115	53	53
Total	\$ 16,892	\$ 15,596	\$ 16,697	\$ 20,096	\$ 18,831

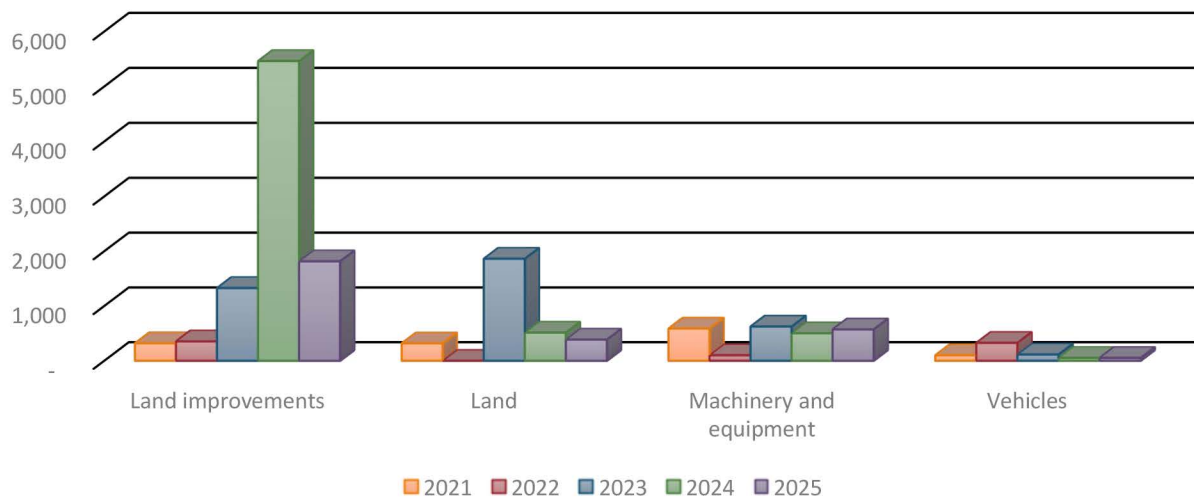
ENGINEERED STRUCTURES



BUILDINGS



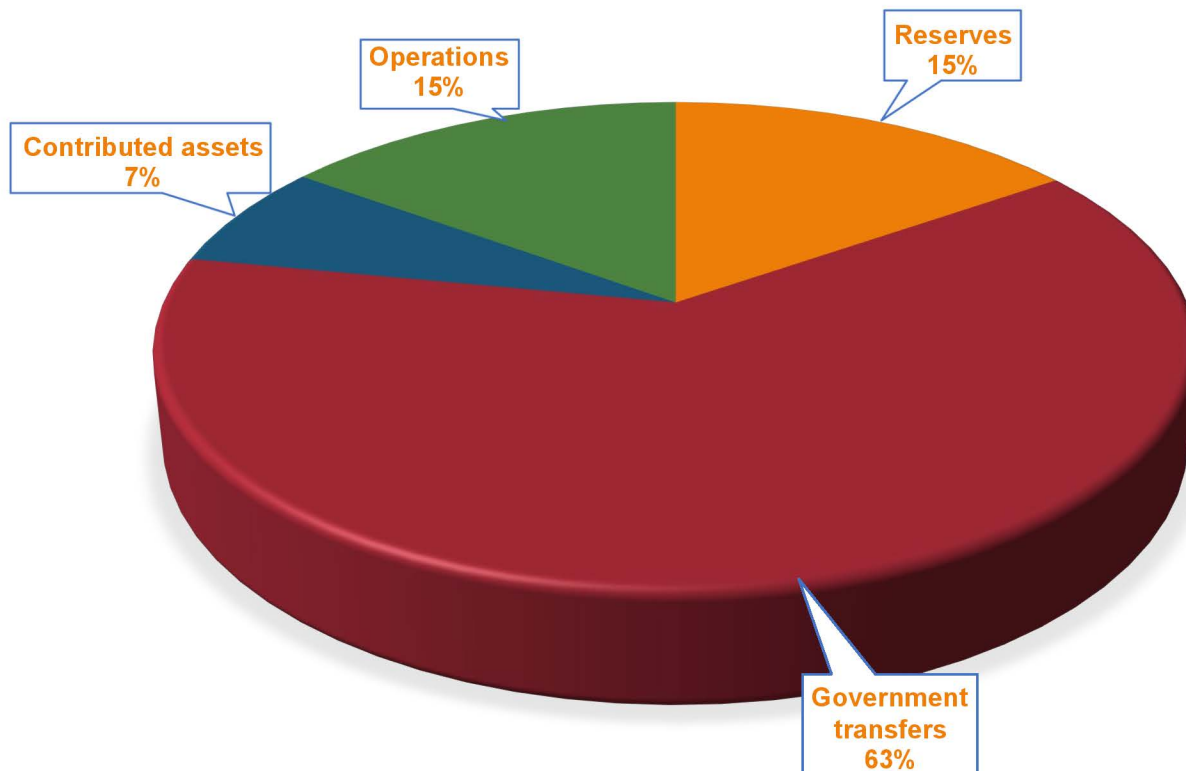
LAND IMPROVEMENTS, LAND, M&E, VEHICLES



Capital Expenditures Sources of Financing
For the years ended December 31, 2021 - 2025
(in thousands of dollars)

	2021	2022	2023	2024	2025
Reserves	\$ 7,244	\$ 7,098	\$ 12,703	\$ 8,407	\$ 2,886
Government transfers	8,510	4,203	2,485	8,362	11,813
Contributed assets	147	125	93	2,555	1,314
Operations	991	4,170	1,416	772	2,818
Total	\$ 16,892	\$ 15,596	\$ 16,697	\$ 20,096	\$ 18,831

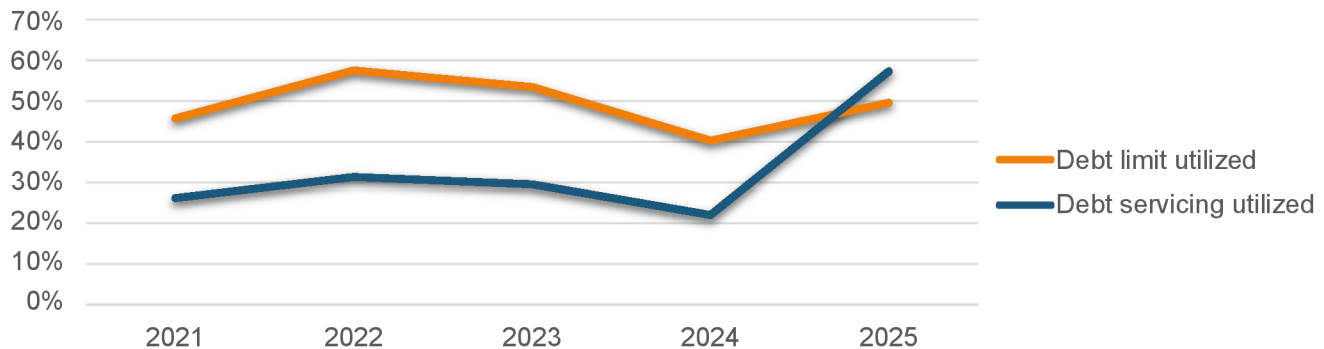
2025 CAPITAL EXPENDITURES SOURCES OF FINANCING



Municipal Debt
As at December 31, 2021 - 2025
(in thousands of dollars)

	2021	2022	2023	2024	2025
Total debt limit	\$ 32,481	\$ 30,724	\$ 33,032	\$ 38,521	\$ 39,927
Total debt	14,844	17,673	17,663	15,509	19,804
Total debt under limit	\$ 17,637	\$ 13,051	\$ 15,369	\$ 23,012	\$ 20,123
Debt limit utilized	46%	58%	53%	40%	50%
Service on debt limit	\$ 5,413	\$ 5,121	\$ 5,505	\$ 6,420	\$ 6,655
Service on debt	1,415	1,603	1,626	1,411	3,813
Total under service on debt limit	\$ 3,998	\$ 3,518	\$ 3,879	\$ 5,009	\$ 2,842
Debt servicing utilized	26%	31%	30%	22%	57%

Municipal Debt Utilization



	2021	2022	2023	2024	2025
Tax supported debentures	\$ 12,897	\$ 15,901	\$ 12,596	\$ 12,022	\$ 11,517
Supported by utility rates	665	574	3,953	3,487	6,037
Operating debentures	1,282	1,198	1,114	-	2,250
Total Debt	14,844	17,673	17,663	15,509	19,804
Per Capita Long-Term Debt	\$ 1,663	\$ 2,033	\$ 2,032	\$ 1,644	\$ 2,054
Debt Charges as a Percentage of Expenses (interest on long-term debt)	2.33%	2.70%	2.54%	2.45%	2.50%

Development Permits - Number of Permits

As at December 31, 2021 - 2025

Type of Development Application	2021	2022	2023	2024	2025
New residential home	19	13	19	35	37
Residential addition or renovation	50	50	67	83	85
Manufactured home	3	4	3	17	19
Multi-family development (3 or more)	1	0	0	0	20
Industrial	10	9	7	5	5
Com m erc ial	7	2	4	7	6
Institutional	3	7	1	1	2
Urban Reserve		1	0	4	0
Home occupation	25	19	24	19	17
Sign	16	10	25	23	18
Change of use	10	9	13	8	12
Other	10	9	10	8	7
Total development permits	154	133	173	210	228
New dwelling units	40	43	23	52	263

Development Permits - Construction Value

As at December 31, 2021 - 2025

(in thousands of dollars)

	2021	2022	2023	2024	2025
New residential home	\$ 6,747	\$ 5,821	\$ 9,295	\$ 17,601	\$ 16,817
Residential addition or renovation	1,051	1,069	1,743	3,372	1,952
Manufactured home	693	997	668	2,918	5,403
Multi-family development (3 or more)	6,500	-	-	-	56,000
Industrial	27,065	7,639	68,550	2,230	5,925
Com m erc ial	5,507	2,300	1,961	413	10,438
Institutional	50,201	1,400	19	500	1,025
Urban Reserve	-	500	-	85	-
Total development permits	\$ 97,764	\$ 19,726	\$ 82,236	\$ 27,119	\$ 97,560

Source for the data on this page is from Town of Coaldale development figures.

Demographics and Statistical Information

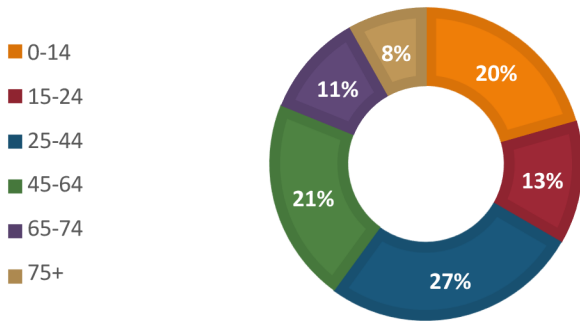
	2021	2022	2023	2024	2025
Total Area of Municipality (Hectares)*	1,415	1,415	1,415	1,415	1,415
Length of all Open Roads Maintained (Kilometers)*	65	67	67	67	80
Water Mains Length (Kilometers)*	66	67	67	67	78
Wastewater Mains Length (Kilometers)*	71	73	73	73	74
Storm Drainage Mains Length (Kilometers)*	28	28	28	30	42
Total Full-Time Municipal Positions*	65	69	70	74	70
Number of Dwelling Units**	3,340	3,362	3,468	3,494	3,526
Population***	8,917	9,121	9,314	9,433	9,644

* (Source: Town of Coaldale engineering & financial records)

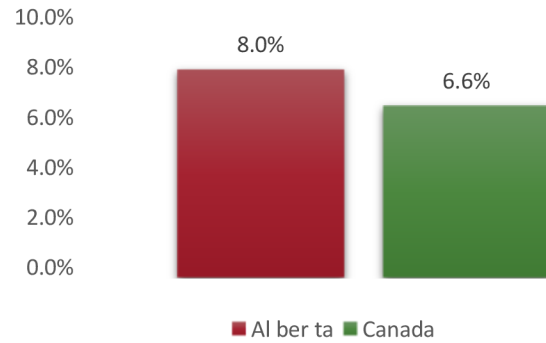
** (Source: Benchmark Assessment Consultants) Dwelling Units - Includes 130 units in senior living facilities

*** (Source: Government of Alberta) Population - Estimate

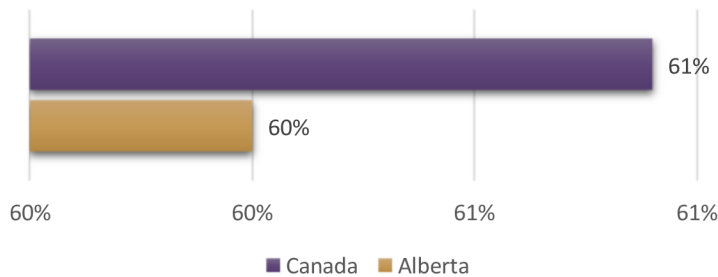
POPULATION BY AGE -ALBERTA REGIONAL DASHBOARD (2025)



UNEMPLOYMENT RATE - ALBERTA ECONOMIC DASHBOARD (2025)



EMPLOYMENT RATE -ALBERTA ECONOMIC DASHBOARD (DEC 2025)



Top 5 Principal Corporate Taxpayers

Newcold

Nudura Coaldale

Solara Properties

Evans Trucking / Evans HD

Tancrete



2025 Annual Report
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