TOWN OF FORT SMITH
FORT SMITH, NT

ANNUAL FINANCIAL REPORT
For the Year Ended Wednesday, December 31, 2025

INDEX

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements and other information contained in this report are the responsibility of the Town Council of the Town of Fort Smith. Town Council delegates to Administration the responsibility of the financial statements.

The financial statements are prepared by Administration in accordance with accounting principles recommended by the Department of Municipal and Community Affairs, based upon the requirements of the *Cities, Towns and Villages Act* of the Northwest Territories, and the Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on best estimates and judgments of Administration. When alternate accounting treatments exist, Administration has chosen those it considers the most appropriate under the circumstances, in order to ensure that the financial statements are presented fairly, in all respects.

To assist in its responsibility, Administration maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are relevant, accurate and reliable for the preparation of financial statements.

Town Council carries out its responsibility for review of the financial statements primarily through the Corporate Services Committee. The Committee meets regularly with Administration to discuss financial matters, including the results of audit examinations. The Committee reports its findings to Town Council for its consideration in approving the financial statements for issuance.

Town Council has reviewed the financial statements and recommends their approval. They also met with Administration and external auditors to discuss internal controls over the financial reporting process, auditing issues and financial reporting matters, to ensure that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The financial statements have been reported on by Avery Cooper & Co. Ltd., Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Town of Fort Smith. Avery Cooper & Co. Ltd. has full and free access to the records of the Town of Fort Smith.

Dana Fergusson Mayor	Date
David Henderson Senior Administrative Officer	Date

TOWN OF FORT SMITH

Statement I

STATEMENT OF FINANCIAL POSITION

Wednesday, December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	$ 17,029,837	$ 13,186,439
Taxes and grants in lieu of taxes receivable (Note 3)	747,387	914,247
Trade and other accounts receivable (Note 4)	1,988,448	3,792,532
Inventory for resale - land	714,577	694,577
	20,480,249	18,587,795
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,860,891	838,281
Wages and benefits payable	460,891	311,864
Deposit liabilities	254,820	265,448
Deferred revenue (Note 8)	7,693,395	8,239,032
Long-term debt (Note 9)	-	38,872
Provision for post-employment benefits	702,419	545,412
Provision for landfill closure (Note 18)	1,185,386	1,134,386
	12,157,802	11,373,295
NET FINANCIAL RESOURCES (Statement III)	8,322,447	7,214,502
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	53,406,092	50,593,782
Inventory for consumption - land	417,274	417,274
Inventory of supplies	46,942	54,731
Prepaid expenses	146,658	116,307
	54,016,966	51,182,094
ACCUMULATED SURPLUS (Note 13) and (Statement II)	62,339,413	58,396,598

CONTINGENCIES (Note 19)

Approved:

____ Mayor

____ Senior Administrative Officer

See the accompanying notes and schedules.

TOWN OF FORT SMITH

Statement II

STATEMENT OF OPERATIONS
For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
Government transfers for operations (Note 14)	4,244,017	4,984,521	3,867,681
Government transfers for capital (Note 14)	3,370,000	4,104,184	2,253,669
Net municipal taxes (Note 11)	4,219,316	4,412,227	3,924,336
User fees and sales of goods	3,588,837	3,608,033	3,785,310
Investment income	75,000	150,288	206,955
Fines, penalties and cost of taxes	160,000	153,833	120,277
Development levies, licences and permits	59,350	84,703	69,825
TOTAL REVENUES	15,716,520	17,497,789	14,228,053
EXPENSES			
General Government Services (Schedule 1a)	2,178,885	2,271,207	2,227,947
Public Safety and Protective Services (Schedule 1b)	907,991	979,304	830,714
Public Works and Transportation Services(Schedule 1c)	2,258,599	2,695,109	2,309,098
Recreation and Culture Services (Schedule 1d)	4,394,474	4,770,973	4,251,385
Water and Sewage Services (Schedule 1e)	2,332,595	2,339,009	2,210,327
Environmental Fund (Schedule 1f)	699,301	499,379	485,177
TOTAL EXPENSES (Schedule 5)	12,771,845	13,554,981	12,314,648
ANNUAL SURPLUS (DEFICIT)	2,944,675	3,942,808	1,913,405
ACCUMULATED SURPLUS, BEGINNING OF YEAR	58,396,598	58,396,598	56,483,189
ACCUMULATED SURPLUS, END OF YEAR	$ 59,427,864	$ 62,339,413	$ 58,396,598

See the accompanying notes and schedules.

TOWN OF FORT SMITH

Statement III

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
ANNUAL SURPLUS (DEFICIT)	$ 2,944,675	$ 3,942,808	$ 1,913,405
Amortization of tangible capital assets	1,463,870	2,221,227	2,070,456
Acquisition of tangible capital assets	(16,715,630)	(5,097,160)	(2,323,303)
Writedown of tangible capital assets	-	63,623	95,841
(Increase)/Decrease in tangible capital assets	(15,251,760)	(2,812,310)	(157,006)
Acquisition of inventory for consumption - land	-	-	8,470
Consumption of inventory of supplies	-	7,798	-
Acquisition of prepaid expenses	-	(146,658)	(116,307)
Use of prepaid expenses	-	116,307	129,764
CHANGE IN NET FINANCIAL ASSETS	(12,307,085)	1,107,945	1,778,326
NET FINANCIAL ASSETS, BEGINNING OF YEAR	7,214,502	7,214,502	5,436,176
NET FINANCIAL ASSETS, END OF YEAR	$ (5,092,583)	$ 8,322,447	$ 7,214,502

See the accompanying notes and schedules.

TOWN OF FORT SMITH

Statement IV

STATEMENT OF CASH FLOW

For the Year Ended Wednesday, December 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING TRANSACTIONS		
Annual Surplus	$ 3,942,808	$ 1,913,405
Adjustments for non-cash items and changes in accounts:		
Accounts receivable	1,970,944	(1,401,565)
Land inventory	(20,000)	-
Liabilities (other than long-term)	(479,787)	346,004
Inventory of supplies	7,789	8,470
Prepaid expense	(30,351)	13,457
Amortization expense	2,221,227	2,070,456
Loss on Disposal	34,061	-
Bad debts expense	133,924	301,807
Net cash from operations	7,780,615	3,252,034
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets (Note 24)	(3,898,345)	(2,389,491)
CASH FLOWS FROM FINANCING TRANSACTIONS		
Long-term debt repaid	(38,872)	(506,462)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,843,398	356,081
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,186,439	12,830,358
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 17,029,837	$ 13,186,439

See the accompanying notes and schedules.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Fort Smith (the "Town" or "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. They are also prepared in accordance with policies prescribed for municipalities by the *Cities, Towns and Villages Act* of the Northwest Territories, and by the Department of Municipal and Community Affairs, Government of Northwest Territories (GNWT-MACA).

The Municipality is exempt from income tax under Section 149 of the *Income Tax Act* (Canada).

Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets and change in financial position of the reporting entity. This entity comprises the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources. At present, there are no organizations that are owned or controlled by the Municipality, other than its own management funds (see Segmented Information below).

Note 11 relating to taxes levied also includes requisitions for education that are not part of the municipal reporting entity.

Interdepartmental and organizational transactions and balances are eliminated.

The Town receives significant funding from the Government of Northwest Territories in the form of operating grants and capital grants. Administration is of the opinion that discontinuance of funding would significantly disrupt operations.

(b) Basis of Accounting

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

Externally restricted funds and earnings thereon are accounted for as deferred revenue until used for the purpose specified. Government transfers for general operations and water/sewage operations are recognized as revenue in their respective funds. Government transfers for capital purposes are accounted for as deferred revenue until the related tangible capital assets are acquired or constructed or eligible expenses are incurred.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Cash and Cash Equivalents

Cash consists of cash on hand and temporary investments. The Town considers any and all highly liquid investments with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value, to be cash equivalents.

(d) Use of Estimates

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

Significant estimates are used in determining the useful lives of depreciable assets, landfill closure and post-closure liability, allowance for doubtful accounts, and allocations of common administrative expenses between funds/programs.

(e) Land held for resale

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

(f) Landfill Closure and Post-Closure Liability

The Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

i) receive any goods or services directly in return;
ii) expect to be repaid in future; or
iii) expect a direct financial return.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are acquired or constructed.

(h) Post-Employment Benefits

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

(i) Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

(j) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) for the year.

(k) 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 payments are charged to expenses as incurred.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(l) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost. Cost is determined on the specific item basis.

Other inventories held for resale are valued at the lower of cost or net realizable value with cost determined by the average cost method.

(m) 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:

	Years
Buildings, Improvements & Structures	15 - 50
Waste Management Facilities Infrastructure	40 - 50
Parks Infrastructure	15 - 75
Roads	30 - 40
IT and Other Infrastructure	5 - 40
Vehicles	7 - 25

One half year annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, and includes interest on related debt.

(n) Contributions of Tangible Capital Assets

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

(o) Cultural and Historical Tangible Capital Assets

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(p) Reserve for Future Expenses

Reserves are established at the discretion of Council or as stipulated requirements to set aside funds for future operating and capital expenses. Transfers to and/or from reserves are reflected as an adjustment to the respective fund and not as revenue or expenses in the statement of operations.

The Town maintains the following reserves:

i) Reserve for General Operations - to ensure sufficient funds available to replace or expand the municipal infrastructure, excluding environmental services and utility infrastructure, as required.

ii) Reserve for Environmental Services - to replace or expand the landfill site as required.

iii) Service Interruption Insurance Reserve - to have adequate funds available to provide for the repair and maintenance from the Town's mains to customer's buildings and provide assistance to customers.

iv) Reserve for Utility Infrastructure Replacement - to ensure sufficient funds available to replace or expand the municipal utility infrastructure as required.

The balance in each reserve is disclosed in Note 10.

(q) Financial Instruments

The Town's financial instruments are initially recorded at fair value, unless fair value cannot be reliably determined, and subsequently measured at amortized cost. The estimated fair values of these financial instruments are assumed to approximate their carrying amounts due to the relatively short period to maturity. Transaction costs are expensed as incurred.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(r) Segmented Information

Municipal services are provided by departments and segmented financial information on their activities is reported in the schedules. The accounting policies used in these segments are consistent with those followed in preparation of the financial statements as disclosed in Note 1. Revenues not directly attributable to a specific segment are indicated as unallocated items in Note 16. The Town allocates certain common expenses to different departments based on the percentage of equipment owned or directly attributable to each department. The segments include:

i) General Government Services, which provides internal support to council and other departments who provide services to its citizens. These internal departments include the Senior Administrative Officer, Financial services, Information Technology Support, and Human Resources.

ii) Public Safety and Protective Services, which provides services to maintain public order, uphold municipal bylaws and emergency and prevention services related to firefighting and medical services.

iii) Public Works and Transportation, which provides construction and maintenance of community assets and transportation planning.

iv) Recreation and Culture Services, which provides services through a recreation and cultural program.

v) Water and Sewage Services which provides for operations and maintenance related to water distribution and sewage collection.

vi) Environmental Operating Fund which provides for operations and maintenance related to solid waste and garbage.

vii) Land Development Fund, which creates plans, programs, and policies required for community planning, zoning, and subdivision.

(s) Prior year presentation

Prior year's figures have been restated, where applicable, to conform to current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 2 CASH AND CASH EQUIVALENTS

	2025	2024
Cash (Note 5)	$ 17,029,837	$ 13,186,439

Cash equivalents are short-term deposits with original maturities of three months or less.

NOTE 3 TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLE

	2025	2024
Taxes and grants in lieu	$ 652,857	$ 878,512
Arrears taxes	2,002,868	1,847,366
	2,655,725	2,725,878
Less: allowance for doubtful accounts	(1,908,338)	(1,811,631)
	$ 747,387	$ 914,247

NOTE 4 TRADE AND OTHER ACCOUNTS RECEIVABLE

	2025	2024
Municipal and Community Affairs	$ 1,020,928	$ 3,004,102
	1,020,928	3,004,103
Utilities	385,214	362,895
Less: allowance for doubtful accounts	(145,056)	(89,920)
	240,158	272,975
Other	887,510	693,721
Less: allowance for doubtful accounts	(160,148)	(178,267)
	727,362	515,454
	$ 1,988,448	$ 3,792,532

NOTES TO THE FINANCIAL STATEMENTS
Wednesday, December 31, 2025

NOTE 5 DEPOSITS

Source	Deferred Revenue	Reserves	Less Amount Receivable	Total Required Deposit	Actual Bank Deposit	Overage/ (Shortfall)
Canada Community-Building Fund	$ 4,459,478	$ -	$ 532,500	$ 3,926,978	$ 8,368,865	$ 4,441,887
Community Public Infrastructure	2,573,821	-	-	2,573,821	5,583,579	3,009,758
Reserve for General Operations	-	1,459,822	-	1,459,822	-	(1,459,822)
Service Interruption Insurance Reserve	-	283,398	-	283,398	283,398	-
Reserve for Utility Infrastructure Replacement	-	3,522,059	-	3,522,059	-	(3,522,059)
Reserve for Environmental Services	-	1,224,543	-	1,224,543	368,571	(855,972)
Daily operations	-	-	-	-	2,425,424	2,425,424
	$ 7,033,299	$ 6,489,822	$ 532,500	$12,990,621	$17,029,837	$ 4,039,216

Deposits comprise:

		2025	2024
Gas Tax	Current account	$ 8,368,865	$ 5,617,985
Community Public Infrastructure	Current account	5,583,579	3,608,727
Reserves	Current account	651,969	631,159
Daily Operations	Current account	2,425,424	3,328,568
		$ 17,029,837	$ 13,186,439

NOTES TO THE FINANCIAL STATEMENTS
Wednesday, December 31, 2025

NOTE 6 CREDIT FACILITY

The Town has an Operating Line of Credit with the Bank of Montreal in the amount of $100,000. The Operating Line of Credit bears interest at Prime plus 0.75%. At Wednesday, December 31, 2025, the Operating Line of Credit has a zero balance.

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Accounts payable	$ 280,666	$ 321,471
Accrued liabilities	361,000	496,400
Tangible Capital Assets payable (Note 12)	1,219,225	20,410
	$ 1,860,891	$ 838,281

NOTE 8 DEFERRED REVENUE

	2025	2024
Gas Tax	$ 4,459,478	$ 5,707,998
Community Public Infrastructure	2,573,821	2,324,695
Slope Stabilization Project	14,339	14,339
Slope Monitoring Project	160,000	160,000
CMHC Housing Accelerator Fund	446,315	-
Branded Signage	32,000	32,000
Deposit on Lot 1758 Plan 4330	7,442	-
	$ 7,693,395	$ 8,239,032

NOTE 9 LONG-TERM DEBT

	2025	2024
Bank of Montreal fixed rate term loan bearing interest at 2.28% per annum, repayable in monthly blended payments of $42,796. The loan matured in February 2025.	$ -	$ 38,872

Debenture interest paid in 2025 was $75 (2024 - $7,091).

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 10 RESERVES

Reserves for operating and capital activities changed as follows:

Reserves	Type	2024	Increases	Decreases	2025
Reserve for General Operations	Capital	$ 976,821	$ 483,000	$ -	$ 1,459,821
Service Interruption Insurance Reserve	Operating	269,486	48,340	34,428	283,398
Reserve for Utility Infrastructure Replacement	Capital	3,323,364	198,695	-	3,522,059
Reserve for Environmental Services	Capital	923,502	301,041	-	1,224,543
		$ 5,493,173	$ 1,031,076	$ 34,428	$ 6,489,822

NOTE 11 NET MUNICIPAL TAXATION

	2025	2024
Taxes	$ 2,950,987	$ 2,769,323
Grants-in-lieu of taxes - GNWT	1,667,761	1,367,905
Grants-in-lieu of taxes - Government of Canada	263,707	242,756
Less: Education requisition	(470,228)	(455,648)
	$ 4,412,227	$ 3,924,336

NOTE 12 EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible Capital Assets (Schedule 1)	$ 96,506,789	$ 91,628,417
Accumulated amortization (Schedule 1)	(43,100,697)	(41,034,635)
Long-term debt (Note 9)	-	(38,872)
Tangible Capital Assets payable (Note 7)	(1,219,225)	(20,410)
	$ 52,186,867	$ 50,534,500

NOTE 13 ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted fund surplus (deficit), reserves and equity in tangible capital assets as follows:

	2025	2024
Unrestricted surplus		
General Fund (Schedule 7)	$ 2,787,256	$ 1,807,240
Restricted surplus		
Utility Operating Fund	465,238	198,695
Environmental Operating Fund	348,132	301,041
Land Development Fund	62,098	61,948
Total Restricted surplus	875,468	561,684
Reserves		
Reserve for General Operations	1,459,822	976,822
Service Interruption Insurance Reserve	283,398	269,486
Reserve for Utility Infrastructure Replacement	3,522,059	3,323,364
Reserve for Environmental Services	1,224,543	923,502
Total Reserves	6,489,822	5,493,174
Equity in tangible capital assets	52,186,867	50,534,500
Accumulated surplus	$ 62,339,413	$ 58,396,598

NOTE 14 GOVERNMENT TRANSFERS

	2025	2024
GOVERNMENT OF CANADA TRANSFERS		
Conibear Park & Cultural Site	$ -	$ 190,000
	-	190,000
GOVERNMENT OF THE NORTHWEST TERRITORIES TRANSFERS		
Operational funding:		
- Operations and Maintenance	2,466,000	2,408,000
- Water and Sewage	798,000	671,000
- Carbon Tax Revenue Sharing Grant	136,134	-
	3,400,134	3,079,000
Repayable Contributions:		
- Sport and Recreation	24,000	24,000
- Youth Centre Initiative	22,686	26,786
- Industry, Tourism and Investment	59,448	24,478
- Conibear Park & Cultural Site	4,872	59,367
- ECE - Library	60,000	84,500
- Low Carbon Economy Fund	-	6,075
- Ground Ambulance and Highway Rescue Services	37,000	37,000
- Emergency Medical Responder Training	10,000	10,000
- Small Communities Homelessness Fund	50,000	-
- Riverside Park and Lookout Update	-	16,106
- Children and Youth Resiliency	13,636	13,636
- Landfill Expansion	52,773	10,893
- ITI Tourism Contribution	12,664	-
- 2024 Budget Assistant	-	10,000
- Housing Accelerator Fund	207,690	-
- Old Chipper Plant Demolition	45,000	-
- ECE Childcare Program grants	1,042,263	508,282
- Community Tourism Coordinator	-	50,000
	1,642,032	881,123

NOTE 14 GOVERNMENT TRANSFERS, continued

Other Restricted Funding:	2025	2024
- Gas Tax	1,065,000	1,014,000
- Community Public Infrastructure	1,833,000	1,656,000
	2,898,000	2,670,000
- Interest earned	332,231	446,849
- Transfers from (to) Deferred Revenue	816,308	(1,145,622)
	4,046,539	1,971,227
	9,088,705	6,121,350
COMPRISED OF:		
Government transfers for operations	4,984,521	3,867,681
Government transfers for capital	4,104,184	2,253,669
	$ 9,088,705	$ 6,121,350

NOTE 15 ALLOCATED EXPENSES

The Town incurs a number of expenses that are common to the administration of the Town and each of its Funds. Accordingly, common expenses are allocated among Funds consistently each year proportionately on a percentage basis. Insurance expenses are allocated to Funds based on assessed building values. Wages and benefits expenses are allocated based on a percentage of estimated time spent.

NOTE 16 UNALLOCATED AMOUNTS

The following revenues were not allocated to the individual segments reported in the schedules:

	2025	2024
Municipal and Community Affairs - Operations and Maintenance	$ 2,466,000	$ 2,408,000

NOTE 17 MUNICIPAL PENSION PLAN

Eligible employees of the Town are members of the Northern Employee Benefits Services (NEBS) Pension Plan (the Plan), a contributory defined benefit plan. The Plan is administered by NEBS as part of benefits program providing insurance, health care and pension benefits for employees of member employers in the North. NEBS is a member owned, not-for-profit corporation of which the Town is a member.

Total contributions remitted by the Town to the NEBS Pension Plan were as follows:

	2025	2024
Employers' contribution	$ 330,740	$ 261,892
Employees' contribution	330,740	261,892
	$ 661,480	$ 523,784

Participating employers in the Plan, including the Town are required to make contributions to the plan of 8% (2024 - $8%) of pensionable earnings, and to remit employee contributions of 8% (2024 - 8%). These contributions cover current service costs and a provision for adverse deviation.

The Plan is governed by the *Northern Employee Benefits Services Pension Plan Act* (in force October 1, 2015) (the Act) and a Plan text document maintained by the administrator of the Plan. Both the Act and the Plan text document provide that participating employers are liable for their share of any funding shortfalls in the Plan as determined on a going concern basis, and on Plan windup.

The Act and the Plan text document provide any going concern shortfalls, should they arise, are to be paid down over no more than 15 years and that contribution rates may be increased if necessary to do so.

Pursuant to the Act, the Plan is exempt from compliance with the *Pension Benefits Standards Act, 1985* (PBSA) and is not required to be funded on a solvency basis.

As at January 1, 2025, the NEBS Pension Plan has a preliminary going concern surplus of $81,271,800 (2024 - $66,573,900) and a funded ratio of 120.1% (2024 - 118.5%). The Plan serves 4,515 (2024 - 4,205) employee members and 119 (2024 - 118) participating employers.

NOTE 18 LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. The requirement is being provided for over the estimated life of the landfill site based on usage.

The estimated remaining useful life expectancy of the landfill site is 50 years. This is based on the construction of a new landfill cell every five years, with the landfill having a capacity of 10 cells.

Construction of the first landfill cell begun in 2024. During the construction of this cell, the existing waste will be capped.

The main components of the landfill closure plan are capping using selected specific layers of earthen and synthetic materials based on engineered cap design and implementation of a drainage management plan. The post-closure care requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring and inspections.

The costs for future environmental assessment and reclamation are unknown. The remaining estimated life of the landfill is 50 years and monitoring will be required indefinitely.

Estimates for future landfill closure costs are subject to significant measurement uncertainty. The accuracy of the estimated closure costs is expected to improve when engineers determine standards for closing a section of the landfill. The liability was increased by $51,000 in the current year (2024 - $51,000).

NOTE 19 CONTINGENCIES

The Town participates in the NWT Association of Communities insurance programs. Under these programs 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. It is the opinion of the Town that losses are unlikely to occur.

As at January 1, 2025, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be $(3,183,400) on a solvency basis. The solvency ratio is 99.4%. While the Town does not intend to terminate its participation in the Plan for the foreseeable future, the Town would be obligated, per the NEBS Act, for its share of the solvency deficiency upon withdrawal. The Town's obligation, as Plan Sponsor, would be calculated based on actuarial estimates for all active, deferred and retired employees.

The Town is party to a lawsuit as a defendant with $250,000 as the total claim against the Town, plus costs. It is the opinion of management that the outcome of the case is unknown as at December 31, 2025.

NOTE 20 FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and cash equivalents, taxes and grants in lieu of taxes receivable, trade and other accounts receivable, accounts payable and accrued liabilities, wages and benefits payable, school taxes payable, deposit liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest rate, liquidity, market, currency or cash flow risks arising from these financial statements.

The Town is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that customers to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The Town regularly monitors the amounts of outstanding receivables and initiates collection procedures to minimize credit risk.

NOTE 21 BUDGET

The budget information presented in these financial statements was adopted by Council on February 18, 2025 for the Operations and Maintenance Budget, and on March 26, 2025 for the Capital Budget and is unaudited. Budget amounts have been restated, where applicable, to conform to Canadian public sector accounting standards.

The following chart reconciles the approved budget with the budget figures as presented in these financial statements.

	2025
Approved Budget:	
Revenue: Approved budget	$ 15,513,370
Expenses: Approved budget	(15,499,883)
Adjustments:	
Tangible Capital Assets	16,715,630
Capital expenses	(16,715,630)
Transfers between Funds	2,776,006
Debenture Principal	155,182
Annual Surplus	$ 2,944,675

NOTE 22 CAPITAL BUDGET

	2025
Capital Budget as Approved	$ 16,715,630
Tangible Capital Asset Acquisitions (Statement III)	$ 16,715,630

NOTE 23 CONTRACTUAL RIGHTS

At Wednesday, December 31, 2025, the Municipality has entered into the following contribution agreements with the Government of Canada and GNWT:

Project	Term/conditions
Investing in Canada Infrastructure Program - Conibear Project	The GNWT will pay an amount not exceeding $365,625. The Federal sources shall not exceed 75% of the total eligible expenditures. The agreement expires September 1, 2027.
Slope Monitoring	Funding from Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC). The agreement expires March 31, 2028.
Housing Accelerator Fund - HAF	CMHC will contribute $654,004.75 per year for four years from April 1, 2024 to March 31, 2028.
Emergency Medical Responder (EMR) In-House Program	The GNWT will contribute $10,000 per year for three years from April 1, 2023 to March 31, 2026.
Investing in Canada Infrastructure Program - Landfill Expansion Project	The GNWT will pay an amount not exceeding $1,056,125. The Federal sources shall not exceed 75% of the total eligible expenditures. The agreement expires September 1, 2027.
Investing in Canada Infrastructure Program - Riverside Park and Lookout Upgrade Project	The GNWT will pay an amount not exceeding $985,000. The Federal sources shall not exceed 75% of the total eligible expenditures. The agreement expires September 1, 2027.
Small Communities Homelessness Fund - SCHF	Housing Northwest Territories will contribute $50,000 per year for three years from April 1, 2025 to March 31, 2028.

Future maximum contributions remaining under these agreements are as follows:

	ICIP Conibear	MACA EMR	ICIP Landfill	ICIP - Riverside Park	HAF	SCHF	CIRNAC - Slope Monitoring	Total
2026	$ 219,183	$ 10,000	$ 992,459	$ 968,893	$ 654,005	$ 50,000	$ 137,133	$ 3,031,673
2027	-	-	-	-	654,005	50,000	1,000	705,005
2028	-	-	-	-	654,005	-	-	654,005
	$ 219,183	$ 10,000	$ 992,459	$ 968,893	$ 1,962,015	$ 100,000	$ 138,133	$ 4,390,683

NOTE 24 SUPPLEMENTAL CASH FLOW INFORMATION

During the year, the Town acquired Tangible Capital Assets totaling $5,097,160 (2024 - $2,323,303) of which $1,219,225 (2024 - $20,410) is included in Accounts Payable and Accruals, and $3,898,345 (2024 - $2,389,491) is paid cash. Accordingly, non-cash capital transactions are excluded from the Statement of Cash Flow.

NOTE 25 STATUTORY REQUIREMENTS OUTSTANDING

The Town has no method of determining the total consumption of water used by the Town and no calculation of the economic rate to be charged for Water is performed. This contravenes the Water and Sewage contribution agreement with MACA.

TOWN OF FORT SMITH

Schedule 1

TANGIBLE CAPITAL ASSETS

For the Year Ended Wednesday, December 31, 2025

	Land	Buildings, Improvements & Structures	Waste Management Facilities Infrastructure	Parks Infrastructure	Roads	IT and Other Infrastructure	Vehicles	Assets Under Construction	2025	2024
Cost:										
Balance, opening	$ 3,520,600	$ 44,126,036	$ 6,073,750	$ 2,274,111	$ 17,535,934	$ 7,995,644	$ 6,604,022	$ 3,498,320	$ 91,628,417	$ 89,400,955
Acquisition of tangible capital assets	-	1,051,827	1,870,720	-	27,784	158,139	873,105	1,115,585	5,097,160	2,323,303
Writedown & re-allocation of tangible capital assets	(20,000)	(189,226)	-	-	-	-	-	(9,562)	(218,788)	(95,841)
Balance, closing	3,500,600	44,988,637	7,944,470	2,274,111	17,563,718	8,153,783	7,477,127	4,604,343	96,506,789	91,628,417
Accumulated amortization:										
Balance, opening	-	22,724,354	4,394,783	1,099,762	7,484,993	1,220,107	4,110,636	-	41,034,635	38,964,179
Annual amortization	-	929,908	88,741	103,662	488,745	180,727	429,444	-	2,221,227	2,070,456
Accumulated amortization on disposals & writedowns	-	(155,165)	-	-	-	-	-	-	(155,165)	-
Balance, closing	-	23,499,097	4,483,524	1,203,424	7,973,738	1,400,834	4,540,080	-	43,100,697	41,034,635
Net book value	$ 3,500,600	$ 21,489,540	$ 3,460,946	$ 1,070,687	$ 9,589,980	$ 6,752,949	$ 2,937,047	$ 4,604,343	$ 53,406,092	$ 50,593,782

TOWN OF FORT SMITH

Schedule 1a

SCHEDULE OF REVENUE AND EXPENSES, GENERAL GOVERNMENT SERVICES

For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
Net Municipal taxes	$ 4,219,316	$ 4,412,227	$ 3,924,336
Government transfers	5,741,000	6,523,184	4,746,147
Investment income	75,000	150,288	206,955
Fines, penalties and cost of taxes	160,000	153,833	120,277
Development levies, licences and permits	59,350	84,703	69,825
User fees and sales of goods	50,000	165,324	294,534
Total Revenues	10,304,666	11,489,559	9,362,074
EXPENSES			
Council Honoraria	167,851	158,552	153,945
Council Travel	25,000	19,397	8,023
Council Materials	45,000	40,408	53,034
Salaries and Benefits	658,781	751,700	703,204
Recruitment/Removal Expense	25,000	53,496	25,582
Contracted costs	50,000	29	61,025
Bank and Interest Charges	46,000	47,444	49,947
Audit and Legal Fees	125,000	144,957	145,383
Freight	10,000	7,988	8,094
Insurance	65,000	66,362	61,965
Materials and Supplies	56,500	42,246	38,365
Business Travel and Expense	10,000	8,350	7,629
NWTAM Membership Fees	9,250	7,897	6,389
Advertising	13,200	4,000	1,475
Grants to Community Groups	35,000	35,000	35,000
Computer Hardware & Software	97,000	106,164	79,610
Equipment Purchase & Rental	20,000	8,249	16,830
Communications	31,100	29,978	31,246
Admin. Buildings Fuel	21,123	12,875	10,595
Admin. Buildings Electricity	12,112	11,877	9,112
Admin. Buildings Municipal Services	5,100	5,088	5,088
Admin. Buildings O & M	12,500	23,288	10,604
Equipment O & M	7,000	1,652	4,049
Miscellaneous	5,400	111,018	115,486
Staff Training	25,000	13,021	74,212
Bad Debts	15,000	78,788	281,807
Housing Accelerator Fund	350,000	207,690	-
Election Costs	-	-	13,707
Tax Relief Program	181,808	200,586	177,478
Interest on Long-term Debt	1,160	18	7,091
Amortization	53,000	39,028	31,972
Loss/(Gain) on disposal of assets	-	34,061	-
Total Expenses	2,178,885	2,271,207	2,227,947
Excess (deficiency) of Revenue over Expenses	$ 8,125,781	$ 9,218,352	$ 7,134,127

TOWN OF FORT SMITH

Schedule 1b

SCHEDULE OF EXPENSES, PUBLIC SAFETY AND PROTECTIVE SERVICES

For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
Government transfers	$ 37,000	$ 47,000	$ 47,000
User fees and sales of goods	536,280	520,106	476,929
Total Revenues	573,280	567,106	523,929
EXPENSES			
Salaries and Benefits	452,000	447,288	373,380
Materials and Supplies	157,766	172,541	135,941
Staff Training and Travel	650	-	-
Highway Rescue	37,000	46,760	36,004
Communications	20,178	22,942	20,206
Heating (Fire Hall)	17,851	15,550	15,282
Electricity (Fire Hall)	13,328	14,388	13,678
Water and Sewage	8,000	7,776	7,776
Vehicle Fuel	8,650	7,065	6,211
Equipment - O & M	2,000	-	214
Fire Abatement	-	2,950	-
Staff Training	30,070	1,431	-
General Insurance	15,300	13,623	13,260
Amortization	145,198	226,990	208,762
Total Expenses	907,991	979,304	830,714
Excess (deficiency) of Revenue over Expenses	$ (334,711)	$ (412,198)	$ (306,785)

TOWN OF FORT SMITH

Schedule 1c

SCHEDULE OF EXPENSES, PUBLIC WORKS AND TRANSPORTATION SERVICES

For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
User fees and sales of goods	$ 3,000	$ 9,900	$ 3,650
EXPENSES			
Salaries and Benefits	1,178,194	1,492,509	1,161,531
Materials and Supplies	225,500	236,628	231,488
Communication	9,500	7,764	9,020
Street Lighting	45,000	48,007	43,741
Heating Fuel	46,773	41,280	45,058
Electricity	14,776	11,026	10,202
Building - O & M	20,000	16,247	3,877
Water and Sewage	6,100	5,620	6,156
Equipment Repairs and Maintenance	70,000	47,026	63,081
Equipment - Fuel	90,000	91,571	64,369
Miscellaneous	20,000	13,683	3,465
Training and Development	17,225	7,461	-
Insurance	25,000	21,671	24,276
Equipment Lease	6,000	15,931	37,855
Recovery from Other Funds	(80,000)	(80,000)	(80,000)
Amortization	564,531	718,685	684,979
Total Expenses	2,258,599	2,695,109	2,309,098
Excess (deficiency) of Revenue over Expenses	$ (2,255,599)	$ (2,685,209)	$ (2,305,448)

TOWN OF FORT SMITH

Schedule 1d

SCHEDULE OF REVENUE AND EXPENSES, RECREATION AND CULTURE SERVICES

For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
User fees and sales of goods	$ 727,170	$ 534,224	$ 582,068
Other Gov't transfers	1,230,017	1,720,521	657,204
Total Revenues	1,957,187	2,254,745	1,239,272
EXPENSES			
Salaries and Benefits	2,805,789	2,662,561	2,535,964
Insurance	99,000	88,518	84,279
Materials and Supplies	179,705	180,318	141,054
Travel	4,800	4,762	1,007
Special Event Days	75,136	88,026	69,787
Advertising	37,100	32,351	28,401
Communications	23,350	25,742	27,426
Building Heating Fuel	297,458	226,115	140,211
Electricity	301,442	317,892	299,135
Water and Sewage	7,800	7,776	8,050
Building Repairs and Maintenance	121,600	196,217	146,967
Miscellaneous	20,854	15,536	22,048
Training and Development	27,690	58,501	-
Grants to Groups	10,000	5,000	5,000
Equipment Repairs and Maintenance	61,750	114,473	68,255
Amortization	321,000	747,185	673,801
Total Expenses	4,394,474	4,770,973	4,251,385
Excess (deficiency) of Revenue over Expenses	$ (2,437,287)	$ (2,516,228)	$ (3,012,113)

TOWN OF FORT SMITH

Schedule 1e

SCHEDULE OF REVENUE AND EXPENSES, WATER AND SEWER SERVICES

For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
GNWT - Transfers	$ 606,000	$ 798,000	$ 671,000
Private	1,405,484	1,436,849	1,444,483
Other	96,112	93,969	91,355
Total Revenues	2,107,596	2,328,818	2,206,838
EXPENSES			
Salaries and Benefits	604,999	617,294	560,614
Vehicle Repairs and Maintenance	55,474	5,437	30,462
Insurance	60,000	67,457	67,908
Buildings Operations and Maintenance	9,618	11,578	13,540
Electricity	66,462	51,854	51,832
Sewage Pumpouts	21,500	25,112	33,763
Sewage Lagoon	23,224	-	14,810
Materials and Supplies	16,550	12,739	8,591
Staff Training	10,000	12,414	500
Bad Debts (Recoveries)	-	55,136	20,000
Contract Services	26,000	56,340	51,560
Water Delivery	134,847	154,312	136,239
Miscellaneous	13,500	6,364	4,569
Water treatment plant operations and maintenance	379,305	329,524	359,617
Allocations from Other Funds	501,116	444,107	389,167
Amortization	410,000	489,341	467,155
Total Expenses	2,332,595	2,339,009	2,210,327
Excess (deficiency) of Revenue over Expenses	$ (224,999)	$ (10,191)	$ (3,489)

TOWN OF FORT SMITH

Schedule 1f

SCHEDULE OF REVENUE AND EXPENSES, ENVIRONMENTAL OPERATING FUND
For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
Levies	$ 770,791	$ 847,511	$ 892,141
Total Revenues	770,791	847,511	892,141
EXPENSES			
Salaries and benefits	349,675	268,818	262,659
General insurance	3,000	2,078	2,077
Material, goods and supplies	90,234	43,098	74,597
Contract services	60,000	50,131	16,500
Provision for landfill closure	51,000	51,000	51,000
Allocations from Other Funds	103,392	84,254	74,559
Amortization	42,000	-	3,785
Total Expenses	699,301	499,379	485,177
Excess (deficiency) of Revenue over Expenses	$ 71,490	$ 348,132	$ 406,964

TOWN OF FORT SMITH

Schedule 1g

SCHEDULE OF REVENUE AND EXPENSES, LAND DEVELOPMENT FUND

For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
REVENUES			
Lot leases- standard leases	$ -	$ 150	$ 150
Total Revenues	-	150	150
EXPENSES			
Excess (deficiency) of Revenue over Expenses	$ -	$ 150	$ 150

TOWN OF FORT SMITH

Schedule 2

CANADA COMMUNITY-BUILDING FUND REPORT
For the Year Ended Wednesday, December 31, 2025

	2005 - 2021	2022	2023	2024	2025	Total
Funding						
Opening balance	$ -	$ 5,216,823	$ 5,726,326	$ 5,611,704	$ 5,707,998	$ -
Annual Gas Tax Allocation	13,278,095	963,000	1,014,000	1,014,000	1,065,000	17,334,095
Interest earned	172,847	105,404	275,874	279,880	190,379	1,024,384
	13,450,942	6,285,227	7,016,200	6,905,584	6,963,377	18,358,479
Eligible Project Category Expenses						
Capacity building - staff training	54,468	-	-	-	-	54,468
Landfill site improvements						
- site upgrades	90,972	20,551	-	-	-	111,523
- groundwater monitoring system	18,609	-	-	-	-	18,609
GIS equipment and software	24,714	-	-	-	-	24,714
Water/Sewer system expenses	305,053	-	-	-	-	305,053
ICSP Plan / Consultant	200,795	-	-	-	-	200,795
Water and Sewer System Upgrades	709,734	531,996	351,015	-	-	1,592,745
Paving program	2,958,329	-	-	-	-	2,958,329
Lift stations	274,975	-	-	-	-	274,975
Water delivery truck	178,198	-	-	-	-	178,198
Water Delivery Truck (less insurance proceeds)	82,105	-	-	-	-	82,105
Chemical room expansion	39,692	-	-	-	-	39,692
Sidewalk and trail extensions	220,435	-	-	-	-	220,435
Fire hydrants	47,378	-	-	139,239	(139,239)	47,378
Excavated Landfill Site	29,989	-	-	-	-	29,989
Sidewalk Improvements	123,008	1,650	-	8,406	18,340	151,404
Water Main repairs	836,472	-	-	-	-	836,472
Trail Extension	230,811	-	-	-	-	230,811
Tire Recycling	21,525	-	-	-	-	21,525
Burn Pit Divider	2,909	-	-	-	-	2,909
Water Treatment Plant upgrade	156,187	97,600	73,357	32,789	-	359,933

TOWN OF FORT SMITH

Schedule 2

CANADA COMMUNITY-BUILDING FUND REPORT - continued
For the Year Ended Wednesday, December 31, 2025

	2005 - 2021	2022	2023	2024	2025	Total
Drainage	107,351	10,140	(17,867)	-	-	99,624
Engineering Services	10,248	-	-	-	-	10,248
W & S Infrastructure Replacement	642,014	(253,876)	-	-	-	388,138
Vacuum Truck Replacement	187,800	-	-	-	-	187,800
Westgrove Paving	181,944	-	-	-	-	181,944
Waste Reduction Initiative	23,974	-	-	-	-	23,974
Water Treatment Plant Heating System	37,817	-	(8,330)	-	-	29,487
Utility Infrastructure	6,980	-	-	-	-	6,980
Environmental Studies	53,222	-	(16,601)	-	-	36,621
Water and Sewer Assessment	-	-	-	-	60,729	60,729
Tools Van	36,111	-	(36,111)	-	-	-
Lagoon Liner	-	71,565	7,587	731,346	1,079,087	1,889,585
Water Truck Fill Station	-	38,500	25,533	-	-	64,033
Main Lift station mid-life retrofit	-	40,775	387,681	279,775	949,785	1,658,016
Raw Water Intake/Pumphouse Replacement - CHIF	-	-	-	6,031	470,979	477,010
Asset Management Assessment and Planning	-	-	-	-	64,218	64,218
Completion of Road Paving	-	-	638,982	-	-	638,982
Energy Upgrades	750	-	(750)	-	-	-
Paving Overlay	197,050	-	-	-	-	197,050
Sewer Flusher	142,500	-	-	-	-	142,500
	8,234,119	558,901	1,404,496	1,197,586	2,503,899	13,899,001
Transfer to Deferred Revenue	$ 5,216,823	$ 5,726,326	$ 5,611,704	$ 5,707,998	$ 4,459,478	$ 4,459,478

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE FUND

For the Year Ended Wednesday, December 31, 2025

	2008 - 2021	2022	2023	2024	2025	Total
Funding						
Opening balance	$ -	$ 4,672,071	$ 1,582,697	$ 1,666,584	$ 2,324,695	$ -
Annual CPI Allocation	16,583,320	1,446,000	1,446,000	1,656,000	1,833,000	22,964,320
Interest earned	270,842	135,657	222,988	166,970	141,852	938,309
	16,854,162	6,253,728	3,251,685	3,489,554	4,299,547	23,902,629
Expenses						
Mobile equipment	154,900	-	-	-	-	154,900
Municipal Infrastructure	25,058	-	-	-	-	25,058
Utility Infrastructure	449,785	-	-	-	-	449,785
Recreation Infrastructure	144,472	-	-	-	-	144,472
Emergency Infrastructure	324,667	-	-	-	-	324,667
Paving program	1,916,892	-	-	-	-	1,916,892
Tower pines lift station	54,135	-	-	-	-	54,135
Sewer system upgrade	600,166	-	-	-	-	600,166
Town office upgrade	116,248	-	-	-	-	116,248
Computer upgrades	207,410	-	-	-	-	207,410
Asphalt Hot Tar repair unit for public works	48,444	-	-	-	-	48,444
Recreation - under $10,000	15,382	-	-	-	-	15,382
Alternate heat source for water plant	60,000	-	-	-	-	60,000
Pickup truck for public works	25,490	-	-	-	-	25,490
Fire hall repairs	23,473	-	-	-	-	23,473
Fire services equipment	66,847	-	-	-	-	66,847
Animal shelter	22,325	37,756	-	-	-	60,081
Arena upgrades/additions	19,470	-	-	-	-	19,470
Track and field project	315,865	-	-	-	-	315,865
Library	41,983	-	-	-	-	41,983
Bobcats	67,154	16,454	-	-	-	83,608
Community Services master plan	43,159	-	-	-	-	43,159
Sidewalks and trails	15,215	-	-	-	-	15,215
Minor - under $10,000	35,623	-	-	-	-	35,623
RCC Front Doors	72,320	-	-	-	-	72,320
General Plan & Zoning Bylaw Reviews	62,132	-	-	-	-	62,132
Community Plan/Zoning Bylaw	-	-	-	89,979	-	89,979

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE FUND - continued

For the Year Ended Wednesday, December 31, 2025

	2008 - 2021	2022	2023	2024	2025	Total
Garbage Compactor	184,325	-	-	-	-	184,325
Community Centre - Air Handling	200,000	-	-	-	-	200,000
Salt Shed Replacement	203,984	-	-	-	-	203,984
Animal Shelter Upgrade	34,158	-	-	-	-	34,158
Gym floor refinish	41,340	-	-	-	-	41,340
Portable Stage	127,974	-	-	-	-	127,974
Building Energy Audits	10,855	-	-	-	-	10,855
Water License Compliance Issues	73,530	-	-	-	-	73,530
Track development (Tennis Court resurfacing)	12,285	-	-	-	-	12,285
Environmental Studies	55,297	10,106	25,809	-	-	91,212
Parks and Playground	457,738	80,914	-	-	-	538,652
Website Development	38,648	-	-	3,900	-	42,548
Arena Renovation Project	2,330,830	-	-	-	-	2,330,830
Grader Upgrades	60,662	-	-	-	-	60,662
Evergreen-Annual Fire Abatement	71,522	10,214	15,097	42,175	13,500	152,508
Street Lighting	56,519	-	-	-	-	56,519
Strategic Marketing Plan	47,571	-	-	-	-	47,571
Water Replacement Vehicle	66,207	-	-	-	-	66,207
RCC HVAC System	124,000	-	-	-	-	124,000
Waste Reduction Initiative	22,991	-	-	-	-	22,991
Hotsi/Steamers	65,861	-	-	-	-	65,861
Desludge Lagoon	34,500	-	-	-	-	34,500
Trails Development	83,134	-	-	-	-	83,134
IT Evergreen	67,056	5,914	10,263	9,564	9,310	102,107
W & S Infrastructure Replacement	1,419,858	341,458	-	-	-	1,761,316
RCC Electronic Sign	30,008	-	-	-	-	30,008
RCC Master Plan	22,841	-	-	-	-	22,841
Landfill	79,039	-	384,414	3,631	-	467,084
Garbage Bins	20,550	-	-	-	-	20,550
Snowboard Park	49,050	-	-	-	-	49,050
Downtown Development	139,258	26,885	-	-	-	166,143
Recreation Centre	719,965	-	-	-	-	719,965
William Schaefer Memorial Pool Partial Retrofit	-	-	84,885	-	100,367	185,252

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE FUND - continued
For the Year Ended Wednesday, December 31, 2025

	2008 - 2021	2022	2023	2024	2025	Total
Curling Plant Upgrade	-	-	208,250	491,195	15,830	715,275
Communication Equipment/Danmax	3,160	-	-	-	-	3,160
Fire Hydrant/Precision	14,751	-	64,941	-	-	79,692
Vehicle/Truck - Fleet	154,476	-	-	130,057	-	284,533
Flat Deck Truck	80,587	-	-	-	-	80,587
IT Upgrades	-	8,758	26,598	-	4,560	39,916
Energy Plan Update	-	12,375	95,965	52,841	-	161,181
Transportation Master Plan	-	74,051	-	-	-	74,051
Evergreen-Emergency Equipment Annual	-	46,761	-	7,850	37,583	92,194
Recreation Program Equipment	-	9,920	9,624	9,324	-	28,868
Tractor	-	85,726	-	-	-	85,726
Riding Mower	-	18,663	-	-	-	18,663
Completion of Road Paving	-	2,393,158	-	-	-	2,393,158
Multi-hogg maintenance vehicle	-	248,992	26,953	-	-	275,945
Cemetry Expansion /Fence	-	27,565	-	1,925	29,387	58,877
RCC Power Backup	-	14,740	7,370	1,500	-	23,610
CRC Renovations	-	708,799	454,765	-	-	1,163,564
Conibear Park Development	-	33,341	745	19,789	-	53,875
Asset Management System	-	12,500	3,900	-	-	16,400
Dump Truck	-	181,884	-	-	-	181,884
Sand Spreader	-	41,750	-	-	-	41,750
Municipal Service buildings	-	-	17,500	-	-	17,500
Tools Van	-	-	36,111	-	-	36,111
Water Treatment Plant Heating System	-	-	8,330	-	-	8,330
Drainage	-	-	17,867	-	-	17,867
Traffic Plan Review	-	-	21,790	-	-	21,790
Functional Review	-	-	-	49,482	-	49,482
Evergreen-Skid Steers	-	-	33,889	18,969	19,635	72,493
Engineering Services	-	23,773	1,671	-	-	25,444
Hazardous Cleanup at the Dump	-	170,124	-	-	-	170,124
Human Resources Projects	-	22,450	12,864	107,426	-	142,740
Boat Launch Upgrade	-	6,000	-	-	-	6,000
Corporate Services Software	-	-	15,500	-	-	15,500

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE FUND - continued
For the Year Ended Wednesday, December 31, 2025

	2008 - 2021	2022	2023	2024	2025	Total
Townhall Vehicle	-	-	-	39,969	-	39,969
Whooping Crane Property Remidiation	-	-	-	16,562	-	16,562
Winter Power Outage Preparedness	-	-	-	15,822	-	15,822
Emergency Equipment - Evergreen	-	-	-	5,840	-	5,840
Building Replacement- Protective Services	-	-	-	6,500	-	6,500
Fire Smart	-	-	-	23,886	-	23,886
Attachments	48,946	-	-	11,304	-	60,250
Riverside Park	-	-	-	5,369	-	5,369
140h Grader Rebuild	-	-	-	-	499,000	499,140
CRC Signage	-	-	-	-	9,997	9,997
Ice Resurfacer Replacement	-	-	-	-	6,512	6,512
Loader Replacement	-	-	-	-	547,900	547,900
Raw Water Intake/Pumphouse Replacement	-	-	-	-	221,211	221,211
Town Hall Retrofit	-	-	-	-	23,006	23,006
Landfill Reclamation and Expansion inc bld - ICIP	-	-	-	-	12,230	12,230
Evergreen-Pete's Gym Equipment	-	-	-	-	8,675	8,675
2024 Fire Hydrant ineligible under CCBF	-	-	-	-	139,239	139,239
Street Crossing Lights (T Plan)	-	-	-	-	27,784	27,784
	12,182,091	4,671,031	1,585,101	1,164,859	1,725,726	21,328,948
Transfer to Deferred Revenue	$ 4,672,071	$ 1,582,697	$ 1,666,584	$ 2,324,695	$ 2,573,821	$ 2,573,681

TOWN OF FORT SMITH

Schedule 4

CHANGES IN FUND BALANCES
For the Year Ended Wednesday, December 31, 2025

	General Fund	Utility Operating Fund	Environmental Operating Fund	Land Development Fund	Equity in Tangible Capital Assets	Reserve Fund	2025	2024
Annual Surplus (Deficit)	$ 3,604,724	$ (10,191)	$ 348,132	$ 150	$ -	$ -	$ 3,942,815	$ 1,913,409
Net Interfund Transfers								
(To) from Capital Fund:								
Purchases	(5,097,160)	-	-	-	5,097,160	-	-	-
Amortization	1,731,887	489,341	-	-	(2,221,228)	-	-	-
Writedowns	63,625	-	-	-	(63,625)	-	-	-
Debt repayment	(38,872)	-	-	-	38,872	-	-	-
TCA payable	1,198,812	-	-	-	(1,198,812)	-	-	-
(To) from Reserve Funds	(483,000)	(212,607)	(301,041)	-	-	996,648	-	-
Change in fund balance	980,016	266,543	47,091	150	1,652,367	996,648	3,942,815	1,913,409
Fund balance, beginning of year	1,807,240	198,695	301,041	61,948	50,534,500	5,493,174	58,396,598	56,483,189
Fund balance, end of year	$ 2,787,256	$ 465,238	$ 348,132	$ 62,098	$ 52,186,867	$ 6,489,822	$ 62,339,413	$ 58,396,598

RESERVES CONSIST OF:	2024	Increases	Decreases	2025
Reserve for General Operations	$ 976,821	$ 483,001	$ -	$ 1,459,822
Service Interruption Insurance Reserve	269,486	48,340	34,428	283,398
Reserve for Utility Infrastructure Replacement	3,323,364	198,695	-	3,522,059
Reserve for Environmental Services	923,502	301,041	-	1,224,543
	$ 5,493,173	$ 1,031,077	$ 34,428	$ 6,489,822

GENERAL FUND CONSISTS OF:	2025	2024
Unfunded expenses to be funded from future revenues:		
Provision for landfill closure	$ (1,185,386)	$ (1,134,386)
Provision for post-employment benefits	(702,419)	(545,412)
Unrestricted surplus	4,675,061	3,487,038
	$ 2,787,256	$ 1,807,240

TOWN OF FORT SMITH

Schedule 5

EXPENSES BY OBJECT
For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 Actual	2024 Actual
Advertising	$ 53,300	$ 37,887	$ 31,121
Audit and Legal Fees	135,000	149,957	150,383
Amortization	1,535,729	2,221,229	2,070,454
Bad Debts (Recovery)	15,000	133,924	301,807
Bank and Interest Charges	47,160	47,462	57,038
Building O & M	521,700	477,309	171,962
Buildings Electricity	497,124	494,096	466,684
Buildings Fuel	553,700	453,922	374,390
Business Travel and Expense	14,800	13,112	8,636
Communications	95,428	98,342	99,578
Contracted Services	219,000	143,856	171,975
Council Honoraria	167,851	158,552	153,945
Tax Relief Program	181,808	200,586	177,478
Council Materials	45,000	40,408	53,034
Computer Hardware & Software	97,000	106,164	79,610
Election Costs	-	-	13,707
Equipment Purchase & Rental	26,000	24,180	54,685
Freight	16,500	12,988	13,094
Community Events	18,500	21,625	15,613
Grants to Groups	40,000	40,000	40,000
Insurance	267,300	259,709	253,765
Landfill Closure	51,000	51,000	51,000
Material and Supplies	800,857	797,013	709,858
Council Travel	25,000	19,397	8,023
Miscellaneous	12,254	138,220	100,385
Removal Expense	25,000	53,496	25,582
Salaries and Benefits	6,205,733	6,351,760	5,734,058
Staff Training	112,635	92,828	74,712
Subscriptions and Memberships	11,250	45,269	34,638
Vehicle Fuel	133,830	136,713	120,458
Vehicle O & M	294,424	258,709	285,388
Water and Sewage	551,962	475,268	411,587
Total Expenses	$ 12,771,845	$ 13,554,981	$ 12,314,648

TOWN OF FORT SMITH

Schedule 6

SALARIES, HONORARIA AND TRAVEL PAID TO MAYOR AND COUNCIL

For the Year Ended Wednesday, December 31, 2025

Position	Salary	Honoraria	Travel	Total
Mayor Dana Fergusson	$ 65,000	$ -	$ 9,747	$ 74,747
Deputy Mayor Mike Keizer	9,000	3,000	1,862	13,862
Councillor Michael Couvrette	6,000	3,200	-	9,200
Councillor Karl Cox	6,000	3,500	-	9,500
Councillor Connie Benwell	6,000	3,100	1,306	10,406
Councillor Patricia Heaton	6,000	3,300	6,282	15,582
Councillor Leonard Tuckey	6,000	3,100	-	9,100
Councillor Al Karasiuk	6,000	3,400	-	9,400
Councillor Adam Bathe	6,000	3,100	-	9,100
	$ 116,000	$ 25,700	$ 19,197	$ 160,897