



Council of the Town of Fort Smith
October 20th, 2026 @ 7 pm

AGENDA

1. CALL TO ORDER

- a. Confirmation of Quorum and Acknowledgment of First Nations

2. ADOPTION OF AGENDA

3. DELEGATIONS

4. APPROVAL OF MINUTES

- a. Regular Meeting of Council, October 6th, 2026

5. BUSINESS ARISING FROM THE MINUTES

6. DECLARATION OF FINANCIAL INTEREST

7. ADMINISTRATION

- a. Community Services
 - i. Director's Report
- b. Municipal Services
 - i. Director's Report
- c. Briefing Note: DPA-045-26 Home Occupation Aquila Solutions
- d. Briefing Note: DPA-046-26 Home Occupation M.B. Contracting
- e. SAO Report
- f. 2025 Audited Financial Statements

8. COUNCIL BUSINESS

- a. Bylaws / Policies
- b. Appointments
- c. Mayor and Council / Board Representatives

9. NEW BUSINESS

- a. Notice of Motion

10. IN CAMERA

11. PROCLAMATIONS

12. DATE OF NEXT COUNCIL MEETING

The next Regular Meeting of the Council will be held on November 3rd, 2026, with reports from Protective and Corporate Services.

13. EXCUSING OF COUNCILLORS

14. QUESTION PERIOD

15. ADJOURNMENT



Council of the Town of Fort Smith
October 6, 2026 @ 7:00 PM

MINUTES

The Regular meeting of the Council was held on
Tuesday, October 6, @ 7 p.m. in the Town Hall Council Chambers.

Present: D/M Keizer, Cr. Benwell, Cr. Heaton, Cr. Karasiuk, and Cr. Cox
Regrets: Mayor Fergusson, Cr. Bathe, Cr. Couvrette, and Cr. Tuckey
Staff Present: David Henderson, Senior Administrative Officer
Daniel Wiltzen, Acting Recording Secretary
Adam McNab, Director of Protective Services
Awa Mbacke, Director of Corporate Services

1. CALL TO ORDER

- a. Cr. Heaton confirms quorum, reads the Acknowledgment of First Nations.

2. ADOPTION OF AGENDA

26-192 Moved by: Cr. Cox
Seconded by: Cr. Karasiuk

That the agenda be adopted as presented.

PASSED

3. DELEGATIONS

- a. Monthly Policing Report - RCMP

Sgt. Jacobson provided an update on RCMP operations, reporting that file numbers have decreased following an increase in activity over the summer and are now more consistent with levels recorded during the same period last year. He also confirmed the arrival of a new RCMP member in September and noted that staffing levels are in a favourable position compared to previous years.

Council discussed ongoing concerns regarding drug trafficking, with Sgt. Jacobson confirming that the RCMP continues to receive information through direct complaints and Crime Stoppers, emphasizing the importance of community reporting.

An update was also provided on the secure room being developed at the hospital. Sgt. Jacobson advised that construction was anticipated to be completed by mid-October, followed by the required certification and staff training before the facility becomes operational.

4. APPROVAL OF MINUTES

- a. Regular Meeting of Council September 15th, 2026

26-192 Moved by: Cr. Karasiuk
Seconded by: Cr. Benwell

That the minutes of the Regular Meeting of September 15, 2026, be adopted as presented.



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October 6, 2026 @ 7:00 PM

5. BUSINESS ARISING FROM THE MINUTES

6. DECLARATION OF FINANCIAL INTEREST

7. ADMINISTRATION

a. Protective Services

i. Director's Report

Director McNab reported that fire and ambulance calls were above the five-year average for September, with a combined total of 30 calls. Regular Wednesday training continued, and a two-day train-the-trainer course is scheduled for the new live fire training facility located at Aurora College on King Street. Additional training opportunities are being planned, including Emergency Medical Responder (EMR) courses, an NFPA 1001 program beginning in January, and advanced wildland-urban interface crew boss training.

Land and development activities remained consistent, with several development permits and business licences issued. Director McNab noted that the number of active business licences has returned to approximately the same level as 2025, addressing earlier concerns about a possible decline in local businesses.

Bylaw enforcement remained busy with animal control and traffic-related matters. Garbage bin compliance and civic addressing efforts focused primarily on public education rather than enforcement. Residents have responded positively, with 100% compliance among properties contacted regarding civic address signage.

Director McNab also provided updates on capital projects, highlighting the October 13 launch of the new computer-assisted dispatch system, which will improve coordination with partner agencies and automate incident reporting. Additionally, updated civic address mapping has been completed in partnership with GNWT Geomatics. The Town now has access to its own GIS mapping data and plans to introduce an interactive map on its website, allowing residents to view civic addresses, property lot information, and fire hydrant locations, which may assist with insurance inquiries.

Cr. Cox inquired about the status of fire-damaged properties in the community, noting concerns raised last year as winter approached. He acknowledged that several properties had since been cleaned up and asked whether any fire-damaged structures remained standing.

Director McNab advised that several fire-damaged properties have been remediated, with another property on Field Street currently undergoing asbestos removal in preparation for remediation. He noted that two fire-damaged structures remain standing, with property ownership complications presenting challenges. Administration continues to pursue enforcement measures and work with the property owners to address these structures, which pose both aesthetic and public safety concerns.

Cr. Cox referred to the bylaw enforcement report regarding unauthorized use of Town land being addressed through encroachment files. He asked whether enforcement action is initiated only upon receiving a complaint or whether Town staff proactively identify and address encroachments.

Director McNab explained that encroachment enforcement is initiated through both public complaints and proactive identification by Town staff, depending on the circumstances. He noted that unauthorized use of Town land is often identified during routine maintenance or FireSmart activities. These encroachments must be addressed to ensure the Town can



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properly access, maintain, and manage its lands, including carrying out necessary fire prevention work.

Cr. Karasiuk noted that Town Hall had undergone an assessment as part of the planning process for the new fire hall and that a report was expected to be provided. He asked whether Council had received the final assessment report.

Director McNab advised that Administration has received the draft report, which includes Class D cost estimates for the remediation and expansion of Town Hall, based on the needs assessment, as well as the demolition of the former library to create additional parking. He noted that the SAO and himself are currently reviewing the documents and will provide feedback to the contractor before finalization. Once completed, the report will be presented to the Mayor.

Cr. Cox requested an update on the animal control matter.

Director McNab advised that Administration recently met with the Animal Society, where the proposed animal control bylaw was discussed. He emphasized that the matter remains a priority for Mayor and Council, the Animal Society, and Bylaw Enforcement.

Administration is currently allowing Salt River First Nation adequate time to review the proposed bylaw, in accordance with the Town’s Municipal Services Agreement (MSA). Other stakeholders, including the Animal Society, have also been consulted, and Administration is awaiting their feedback before proceeding.

Cr. Heaton noted that no ATV bylaw violations were reported for the month and asked whether this reflected improved compliance among youth as a result of the Town’s ongoing education efforts.

Director McNab advised that the absence of reported ATV violations does not necessarily indicate improved compliance. He explained that Bylaw Enforcement has been occupied with animal control and other traffic-related matters. He also noted ongoing concerns with youth fleeing from enforcement vehicles, creating additional safety risks. For safety reasons, enforcement officers will not pursue individuals when it is unsafe to do so.

ii. Briefing Note: Variance Request - 28 York Crescent

# 26-193	Moved by: Cr. Cox Seconded by: Cr. Benwell
That Council approve the variance application for Lot 1730, Plan 4313, municipally known as 28 York Crescent, to permit a caretaker’s suite with a maximum floor area of approximately 1,040 sq. ft. (96.6 m ²), subject to compliance with all other applicable requirements of Zoning Bylaw No. 1063.	
PASSED	

iii. Briefing Note: Land Disposal – 22 Whitford Road

# 26-194	Moved by: Cr. Karasiuk Seconded by: Cr. Cox
That Council give first reading to the Land Disposal Bylaw No. 1085 Lot 1766, Plan 4330 (22 Whitford Rd.), authorizing the transfer of the subject lands to Rajyashri S. Waghray and Pranay Waghray for the amount of \$70,441.00	
PASSED	



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b. Corporate Services

i. Director's Report

Director Mbacke provided financial and administrative updates, beginning with staffing. She advised that an offer has been extended for the receptionist position, with the successful candidate expected to begin October 14. The Payroll Officer position has been reposted after the previous candidate declined the offer. She explained that the position is a temporary maternity leave replacement, now reduced to approximately six months due to the employee's anticipated early return in April 2027. Administration is exploring alternative coverage options, including cross-training, as the current employee providing coverage is also expected to begin maternity leave in December.

Director Mbacke confirmed that the September 2026 accounts payable listing has been provided to Council. She also reported that the external auditors have finalized the 2025 year-end adjustments, which Administration is currently processing to formally close the 2025 fiscal year.

She further advised that a new corporate credit card usage policy and user guide came into effect on October 1, 2026, to improve purchasing procedures, compliance, and accountability.

Lastly, Director Mbacke addressed recent public concerns regarding water billing rates and seniors' property tax exemptions. She assured Council that Administration is actively reviewing the affected accounts and working with Accounts Receivable to resolve the issues as quickly as possible. She acknowledged residents' concerns and thanked them for their patience.

Cr. Karasiuk noted a significant payment to Pelican Rapids for hotel accommodations associated with the Town's role as a reception centre during wildfire season. He requested confirmation that these expenses would be recoverable.

Director Mbacke confirmed that the expenses are recoverable through MACA and advised that the Director of Community Services has already initiated the reimbursement process.

Cr. Heaton inquired whether the budget discussions remain on schedule and if Administration is still working toward the previously established November timeline.

SAO Henderson confirmed that a first draft will be presented to Council at the second meeting in November.

Cr. Karasiuk referred to a Mastercard payment listed in accounts payable associated with the former Acting SAO. He asked how long charges from the account may continue to appear and whether the credit card has been cancelled or if further payments are expected.

SAO Henderson explained that the SAO's corporate credit card is used for various recurring expenses, including subscriptions and software. During a transition between SAOs, the card remains active temporarily to allow sufficient time to transfer these payments to a new account. He confirmed that Administration is currently completing this process and anticipates that charges to the former Acting SAO's card will cease shortly.

ii. Accounts Paid List

iii. Correspondence



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8. COUNCIL BUSINESS

- a. Bylaws and Policies
- b. Appointments
- c. Mayor and Council Round Table

- i. Cr. Karasiuk highlighted several upcoming community events and activities. He noted that the Smith TAPP introductory program is taking place at Aurora College, with 58 students participating, including 45 from outside the community. He commended the College for providing engaging opportunities to introduce youth to the skilled trades and welcomed the visiting students to Fort Smith.

He also reminded residents of the upcoming high school volleyball tournament scheduled for the weekend following Thanksgiving, which typically brings 300 to 350 students to the community. He encouraged residents to attend and support the athletes, noting that the tournament runs from Thursday evening through Sunday afternoon, with plans to potentially livestream the final games.

Councillor Karasiuk thanked Town staff for organizing the fish fry as part of the Town's 60th anniversary celebrations. He noted that despite the less favourable weather, the event was well attended and appreciated by those who participated.

He concluded by wishing everyone a safe and happy Thanksgiving, reminding residents to "Gobble till you wobble."

- ii. D/M Keizer advised that a three-day meeting regarding the Emergency Management Act is scheduled to take place in Yellowknife the following week. He has been asked to participate virtually while travelling. He also noted that he may attend an additional community association meeting, potentially resulting in four days of virtual meetings.
- iii. Cr. Cox noted that he had recently returned from spending time in the bush and was catching up on community matters. He reflected on the recent windstorm, which caused power outages and brought down numerous trees throughout the community. He encouraged residents to assess trees on their properties and consider removing those that may pose a risk. He noted that local resources are available to assist with tree removal and emphasized the importance of proactive maintenance for both power reliability and FireSmart preparedness.
- iv. Cr. Benwell expressed appreciation for the installation of new sidewalks throughout the community, commending the quality of the work. She also recognized Lawrie Hobart for her efforts in organizing the upcoming volleyball tournament, acknowledging her dedication to providing opportunities for youth. Additionally, she thanked the Friendship Centre for organizing the Every Child Matters luncheon, noting that it was a well-organized and meaningful community event.
- v. Cr. Heaton reported that the Uncle Gabe's Friendship Centre lunch program has reached 80 registered students and reminded motorists to be mindful of children travelling to and from the Centre during lunchtime. She extended her appreciation to Sam Warner and the Northern Store for their generous donation to the lunch



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program. She also recognized Hope McNeil for her contributions to organizing bingo events at Uncle Gabe’s and wished her well on her upcoming return to Chile.

Cr. Heaton shared that she volunteered for 10 shifts at the animal shelter over the past month and encouraged community members to consider volunteering, whether to assist with feeding or walking the dogs. She emphasized that any amount of time would be greatly appreciated.

She also thanked residents for their donations to the thrift store and reminded donors to ensure items are clean and free of pet hair to help with processing and prevent potential allergic reactions.

Lastly, Cr. Heaton expressed appreciation for the Town’s recent fish fry and noted that she was able to distribute some of the leftover food to local Elders.

9. PROCLAMATIONS

10. IN-CAMERA

11. DATE OF NEXT COUNCIL MEETING

Regular Meeting of Council (Community & Municipal)	October 20 th , 2026, @ 7 pm, chaired by Cr. Heaton
Regular Meeting of Council (Protective & Corporate)	November 3 rd , 2026, @ 7 pm, chaired by Cr. Benwell

12. EXCUSING OF COUNCILLORS

# 26-195	Moved by: Cr. Karasiuk Seconded by: Cr. Benwell
That Mayor Fergusson, Cr. Bathe, Cr. Couvrette, and Cr. Tuckey be excused from the regular meeting of Council on October 6 th . 2026.	
PASSED	

13. QUESTION PERIOD

Mallory Minerson, a local mental health councillor, expressed concerns regarding what she described as an increase in violence, gun-related incidents, and the presence of firearms in the community. She noted that, through her work in corrections and conversations with residents, she has observed growing fear and anxiety surrounding public safety. She referenced a community town hall held in another community that provided residents with an opportunity to discuss safety concerns and explore potential solutions. She suggested that a similar forum in Fort Smith could be beneficial in allowing residents to voice their concerns and work toward restoring a sense of safety. She asked what steps Mayor and Council are taking to address these concerns and help residents feel safe in their community.

SAO Henderson advised that the Mayor has been in discussions with the RCMP over the past week regarding community safety concerns. He noted that the Mayor may be able to provide further information and updates upon her return.

Cr. Cox acknowledged the concerns raised, noting that a resident had recently approached him with similar questions regarding community safety. He advised that he had intended to discuss the matter with the Mayor and recalled that the Thebacha Leadership Council



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(TLC) had held similar discussions previously, although he was unsure of the outcomes. He suggested following up on those discussions and potentially reaching out to the Mayor of Inuvik to learn from their approach. Councillor Cox confirmed that he would contact the Mayor by email to raise these concerns and explore possible next steps.

D/M Keizer thanked the community member for bringing forward her concerns regarding public safety, acknowledging that the issue has been a topic of discussion among many residents, including his own family. He agreed with Cr. Cox that the matter should be brought forward to the Thebacha Leadership Council (TLC), emphasizing the importance of working collaboratively with the Town’s Indigenous partners to develop solutions that address the needs of the entire community. He recommended that the Town formally raise the concerns with the TLC for further discussion.

Mallory Minerson asked whether the Town could consider organizing a community gathering or town hall in the near future to provide residents with an opportunity to openly discuss their safety concerns and explore potential solutions. She emphasized the importance of taking timely action, noting particular concern for children who may be experiencing fear and anxiety due to recent incidents. She expressed a desire to ensure residents feel supported and that their concerns are being heard and addressed.

Council acknowledged the community’s concerns regarding public safety and recognized the importance of providing residents with an opportunity to express their concerns. While supportive of the idea of a community forum, it was emphasized that further consultation with the Mayor, RCMP, Protective Services, Indigenous leadership, and local support agencies would be necessary before committing to an event. Council stressed the importance of ensuring that appropriate resources and professional supports are available to facilitate a meaningful and constructive discussion. Residents were encouraged to continue bringing their concerns forward while Administration and Council consider appropriate next steps.

14. ADJOURNMENT

# 26-196	Moved by: Cr. Karasiuk Seconded by: Cr. Cox
That the meeting be adjourned at 7:34 pm.	
PASSED	

RECOMMENDATION:

THE COUNCIL OF THE TOWN OF FORT SMITH ACCEPTS THE COMMUNITY SERVICES MONTHLY REPORT FOR September 2026 AS PRESENTED.

Recreation Programming

In September, we started strong by supporting the Whooping Crane Festival, which took place during the first weekend of the month. The festival brought together people from various communities for a wonderful weekend of activities. Participants had the opportunity to take part in activities at the college, as well as enjoy a day of travel to the Salt Plains and TDN traditional lands. We wrapped up the festival by hosting a local fish fry for the community at Queen Elizabeth Territorial Park.

September was also the final month of the Desnede Farmer’s Market. We saw great attendance throughout the season, and it was wonderful to have community members come out to support and see what our local farmers, bakers, and artists had to offer.

Following the Desnede Farmer’s Market, the Wildrose Carnival came to Fort Smith for the weekend. Many residents were pleased to have the carnival in town, and we also welcomed visitors from Hay River and Fort Resolution who came to participate in the festivities.

To wrap up September, we focused heavily on planning for the reopening of our arena complex. All user groups expressed their excitement about returning, and Fort Smith residents appeared very pleased to be back in a familiar community facility.

Recreational Programming Schedule & Statistics

Town of Fort Smith Community and Recreation Centre Stats				
Sep/2026				
Fort Smith Community and Recreation Centre	August 2026 Sessions	August 2026 Participants	September 2026 Sessions	September 2026 Participants
Squash	Operational days 30	17	Operational days 28	20
Pete's Gym	Operational days 30	1059	Operational days 28	943
Senior Lane Swim	21	65	21	62
Public Swim	18	493	22	385
Public Lane Swim	52	167	51	117
Parents & Tots Swim	21	18 Parents; 22 Tots	21	24 Parents; 21 Tots
Daycare Swim	(short staff) 2	24	(no staff)	(no staff)
ASCP	(short staff) 2	35	(no staff)	(no staff)
Lifeguard Training	-	-	-	-
Pool Rentals	6	87	2	
FREE SWIMS - TOFS 1/45 UNW 3/53	8	188	4	98
PWK water safety testing	1	40	1	45
Sauna	30	148	11 (not tracking as of Sept 12)	54
Swim Assessment	-	-	6	28
Active Aging/Senior Walking	30	18	28	25
Drop-in soccer/Futsal	4	0	4	0
Drop-in Volleyball/Jr Girls Volleyball	13	6	13	50

REPORT TO COUNCIL

Community Services
Community Services Monthly Report

Date: October 20th, 2026

18+ Women'sVolleyball/18+ Drop-In	4	0	3	21
Drop-in Badminton	10	11	11	33
Women's Squash League	over	over	over	over
Open Squash League	over	over	over	over
Parents & Tots Gym (7 d /w - 7 hours/day)**	30	** 236 Parents; 658 Tots		149 Parents; 431 Tots
Gym Rentals	15	201	8	98
Pickleball	13	43	11	12
Girl Guides	over	over	over	over
Youth Night/Youth Night Volleyball	cancelled for August	cancelled for August	6	57
Youth Drop-In	16	20	20	97
Farmers Market	4	373	4	322
Healthy Families	3	25	3	16
Family Drop-in Sports	4	22	4	25
Crib Night	4	0	cancelled	cancelled
Yoga	cancelled for summer	cancelled for summer	cancelled for summer	cancelled for summer
Family & Youth Campfire	0	0	0	0
Basketball	6	54	4	5
Archery	4	1	4	0
CRC Daily Total	30	3774	28	5199

Comments:.	Pool Closed July 11-23	
Fort Smith Centennial Arena	August 2026 Sessions	August 2026 Participants
Comments:.	Arena closed March 31, 2026, for ice events	Arena closed March 31, 2026, for ice events

Fort Smith Child Care	August 2026 Sessions	August 2026 Participants	September 2026 Sessions	September 2026 Participants
ASCP	20	365/400	20	488/600
Daycare		16 FT; 2HT; 6 FTI; 5 drop-ins	20	16 FT; 2HT; 6 FTI; 4 drop-ins
Comments:.	FTI is for Full Time Infant		FTI is for Full-Time Infant	

Aquatics

Public Outreach:

This month, a cane has been purchased for lane swim patrons. The reason for this purchase was the lack of mobility some elders experience. Fort Smith is an ageing community, and mobility issues are seen regularly in the pool. Accessibility for elders is important to be provided when water is a treatment. The cane can be lengthened or shortened as needed, and a wider base was also added to provide more grip and stability on the pool and change room wet floor.

Programming updates:

Due to a shortage of National Lifeguard staff (students returning to school and family emergencies), our programming has experienced some hours reduction at times. Hours reduction has impacted anywhere from shortening the length of a swim to cancelling an afternoon or a full day. Elders in Motion are impacted when only one guard is available to be on deck for the morning lane swims (Elders in Motion requires two lifeguards to proceed effectively).

Short-notice call-ins led to rental cancellations, which is less than ideal. Frustrations from the public were felt, but with discussion, they were mitigated.

Staffing updates:

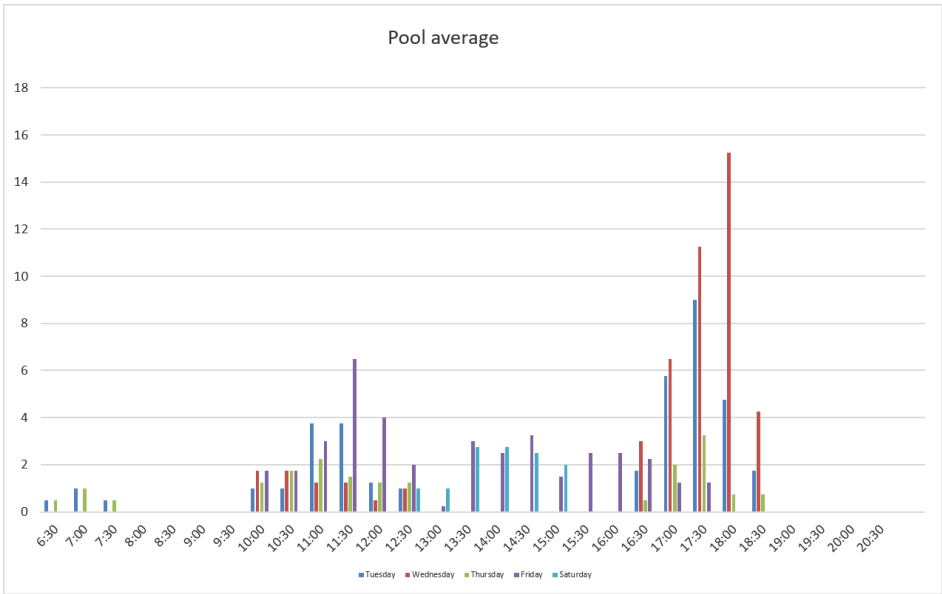
Student staff are back at school. Call-ins related to extracurriculars and studies are to be expected and have already been seen. The pool has only National Lifeguards on staff for the regular swimming programs. All the Assistants lifeguards have left for school. One casual instructor has been hired to help with our Swimming Lessons.

Suggestion: During the winter 2027, the pool should open a swimming lesson group for participants of 13 yrs old + to start creating prospective Assistant Lifeguards. Starting from Bronze Star to Bronze Cross, then Bronze Medallion, allowing each category more time than usual to acquire the taught swimming and lifesaving skills. This will keep the older kids coming to the pool and will screen who is interested in the full Lifesaving lifestyle and culture more than the paycheck only. This will help build reliable and quality staff for the future.

Swimming Lessons update:

Swimming Lessons program building is now wrapped up! Registrations opened on Friday, October 2nd, for public registrations, and 38 participants have signed up, with more interested swimmers on waitlists. Information can be found on the Town of Fort Smith website. The link for the FAQ has been posted on Facebook.

The first day of lessons was October 6th. One last modification of the Public Pool Schedule will be posted to reflect the swimming lessons time slots during the week until December.



Mary Kaeser Library

Mary Kaeser Library welcomed the school year back, and with it an increase in patronage. As always, when school is in session, the library is busy with children visiting the library in the after-school hours.

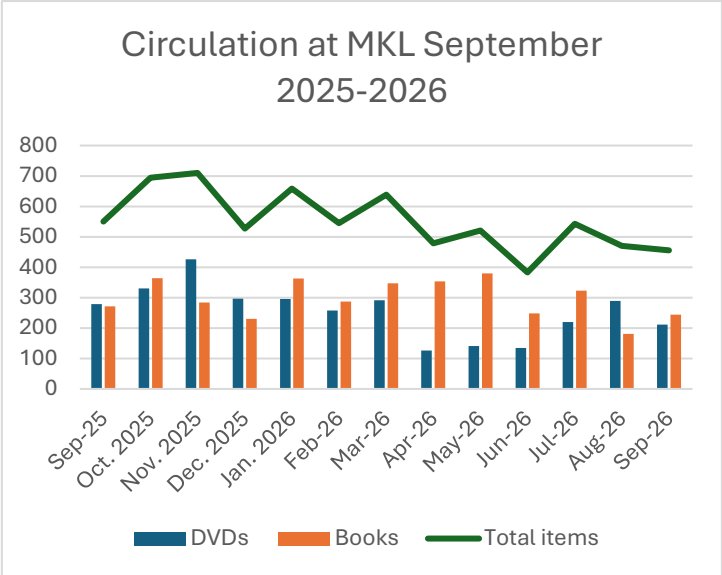
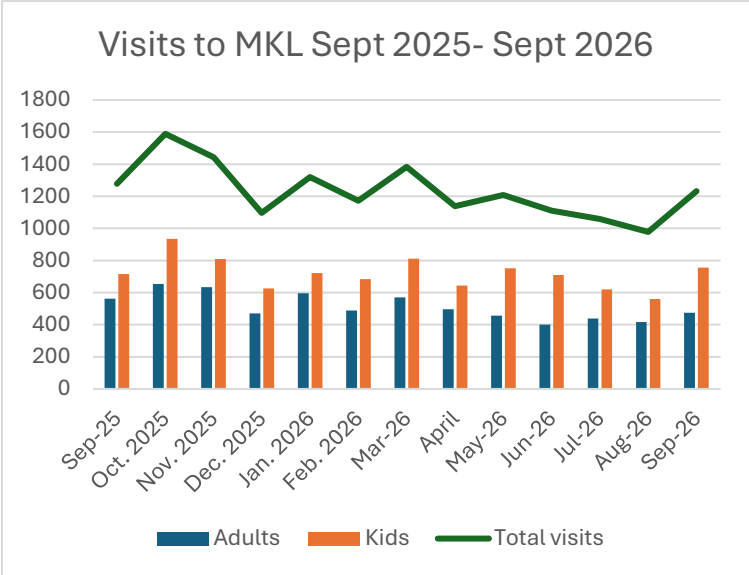
September saw the return of the Kids’ and Teens’ Book Clubs, where participants receive a free book each month to read and discuss with other book lovers. These clubs encourage reading, of course, but also develop critical thinking, creativity, and the ability to discuss and disagree with others who have different viewpoints. The books vary in topic and style. This year, there will be a variety of fiction, non-fiction, and graphic novels.



Teen Night also returned to the library with Cricut stickers, Intro to 3D design, and cooking Taco in a bag. Due to the TAP students visiting Aurora College, the numbers for Teen Night have been high. This program’s goals are to offer youth in Grades 7-12 a dedicated time at Mary Kaeser Library to learn or try something new and be creative. Fort Smith is a very athletic community, and Mary Kaeser Library tries to offer programming that is a little different so all youth have activities they can be excited about.

Our Friday afternoon programs for children also returned with the school year. This year we are trying to partner with different organizations to visit the library. We started with Parks Canada and their planetarium, and in October we will have Sarah Tomkins teaching sign language, and the South Slave Research Centre will come in to do STEM programming with mini robots. We’re excited to have these professionals in the community come in and share their passion!

Adult Art Night also returned at the start of October, with a sew-a-pillowcase activity. These workshops for adults are an opportunity to create and connect: meet new people in the community while getting out of your head and off your phone to create a piece of art. These workshops are attended by a diverse group of participants each month and attract visitors as well as residents.



REPORT TO COUNCIL

Community Services

Community Services Monthly Report

Date: October 20th, 2026

Mary Kaeser Library

October 2026

HOURS

Monday: 10:00-7:00

Tuesday: 12:00-7:00

Wednes.: 10:00-7:00

Thursday: 12:00-7:00

Friday: 12:00-7:00

Saturday: 12:00-6:00

Sunday: 12:00-4:00





867-872-0362

library@fortsmith.ca

2nd Flr Community & Rec Centre

facebook.com/MaryKaeserLibrary

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
			Sew a pillow case 7:00-9:00	Teen Night Taco in a bag 7:00-9:00	Creators Club Slime 3:30-4:30	Town Birthday Party 1:00-4:00
11	12	13	14	15	16	17
				Teen Night Hangout 7:00-9:00	Creators Club Cross-stitch 3:30-4:30	
18	19	20	21	22	23	24
				Kids' Book Club 3:30-4:30	Creators Club Sign Language 3:30-4:30	
	Dolly Parton: Story Time 10:30-11:30		Teen Night Pumpkin Carving 7:00-9:00			
25	26	27	28	29	30	31
	Story Time 10:30-11:30	Teen Book Club 3:45-4:45		Teen Night Costume Contest 7:00-9:00	Creators Club cookie decorating 3:30-4:30	

Childcare

Daycare:

September was a wonderful month in the daycare. We focused on the weather changes and learned about fall. Our classroom was decorated with fall-inspired art and crafts. Many of our older kiddos have aged out of the program into the ASCP. We have some new friends who joined us, and we welcomed them and their families into the classroom. We successfully onboarded a full-time primary lead educator and continue to actively seek a casual assistant.

The educators had a chance to slow down after a busy summer. Staff were able to work on their professional development goals. We have two educators continuing to focus on their post-secondary education, taking their ECE diplomas with Aurora College. We also had four staff update their standard first aid and CPR. Two assistants completed Outdoor Learning Early Years Certificates, and another assistant completed their ECE Essentials certificate online. While continuing professional development has always been a priority for the childcare staff, it is now mandatory with the new ECE regulations for us to offer this education. It has been mainly supported through the childcare training budget, and enhancing the educators' knowledge has benefited the program outcomes and children who participate.

During September, the Town of Fort Smith Daycare successfully passed their annual inspection.

Both infant and preschool have a waitlist of 8.

After School Care:

We welcomed the afterschool care program back this month!

With a full enrollment, we have been busy. Our ASCP holds 30 participants with one lead educator and two assistants. We have one kiddo in our program with higher needs who requires one-to-one support. We were able to accommodate the child and hire an additional staff member to work with them through Supporting Child Inclusion Participation. The children have been soaking up the warm weather outdoors while it lasts and enjoy unstructured fun after their long day at a desk. We continue to provide support for the additional hours that JBT is closed by covering the STIP days (half-day Fridays) and PD days, where we care for the children full days.

The After School Care Program also passed the annual inspection. We currently have a waitlist of 10.



Economic & Tourism Development



2026 Whooping Crane Festival

After being delayed from the July 17th date, the Northern Whooping Crane Festival took place from September 3rd to 6th around Thebacha Region.

Thursday Sept 3: Q&A with Roberta
Roughly 30 people in attendance. Mix of residents, visitors & Dark Sky Festival Attendees

Friday, Sept 4: Opening Ceremony & Lunch
Served 60 bowls of stew throughout the event. Thebacha Drummers opening & Francois Beaulieu sharing stories of wildlife.

Saturday Sept 5: Hike to Salt Plains w/ Parks Canada (9 people joined), afternoon medicine walk in Fort Fitzgerald (15 people joined)

Sunday Sept 6: Pancake Breakfast. Served 50 plates of food. Evening fish fry, served over 200 plates of fish.

The Northern Whooping Crane Festival totalled up to \$7,500, supported through TLC funding provided by CANNOR.

While previous events had been busier, with more events happening throughout the weekend, those who attended the afternoon hikes & Sunday meals shared a sentiment of enjoyment.

What is the Whooping Crane Festival?

This event aims to generate awareness around the Whooping Cranes. A bird that bounced back from near extinction and whose conservation story starts in Fort Smith.

Is the Whooping Crane Festival sustainable?

As of right now, no. This event cannot happen without financial support from grants or TLC organizations. Unlike the Dark Sky Festival, which charges an entry fee for attendance, the Whooping Crane Festival is free to attend. This model is not sustainable and requires further analysis of what can be a paid activity vs. free.

Will the Whooping Crane Festival happen next year?

ETDO would like to propose a Wildlife Conservation Summit in Fort Smith, as opposed to the solo Whooping Crane Festival. While Whooping Cranes can be a point of conversation, the broader wildlife topic allows more organizations to travel to Fort Smith to discuss their unique project results, while positioning the Town of Fort Smith as a hub for conservation activity. Tourist activities and planned guided hikes can be part of the events.





Fort Smith Farms Industry Tour & Farm to Table Dinner



On Saturday, September 12th, the Town of Fort Smith & partners hosted a Farm Industry Tour & Farm to Table Dinner.

This involved the GNWT Industry Tourism & Investment department, the Territorial Agrifood Association, the Aurora Research Institute, Desnede Farmer's Market & eight local food producers/growers in the community. This event was an industry networking event and pilot for Fort Smith Farms, an agri-tourism offering that could be developed in the community.

Over a day, 15 participants, from Yellowknife & Fort Smith, toured around town, tasting home-baked bread, farm-fresh vegetables, locally sourced meats and said hello to many animals. The event concluded with a 6-course farm-to-table dinner. The chef was part of the Territorial Agrifood Association team who travelled from YK to support this event.

The cost to facilitate this event was \$18,300.00 and was funded 100% through an SCAP (Sustainable Canadian Agriculture Partnership) grant.

This pilot program revealed interest in a tasting tour around Fort Smith and could be developed into a ticketed semi-frequent event throughout the summer.

Visitor Information Centre Closes Down



Total Visitation (May 1 st to September 7 th) (May Long to September Long)				
Year	Fort Smith Visitor Centre	YoY %	Pine Lake Campground	Total Visitation
2026	1094 (+93)	9%	146	1340
2025	1001 (+432)	76%	313	1608
2024	569 (-244)	-30%	236	924
2023	813 (-507)	-38%	18	1084
2022	1320 (+850)	180%	242	1788
2021	470 (+294)	167%	347	922
2020	176 (-1700)	-91%	304	726
2019	1876 (+309)	20%	440	2574
2018	1567 (-46)	-3%	375	2109
2017	1613 (+386)	31%	505	2335
2016	1227		404	1967

After a year of programming, meeting visitors and working closely with Parks Canada, the summer season of 2026 has finished. The visitor information centre is now closed to the public for the winter, with Parks Canada staff still being available through phone or email.

We will be installing a pamphlet rack in the Community & Recreation Centre and directing people there for information on the community. Visitation peaks throughout the summer, with nominal visitation throughout the winter. This is the first year that the visitor information centre has fully closed for the off-season, due to federal restructuring and limited capacity. We do have the option to open for special events.

While the off-season visitor experience is developing, we did have our best year for summer visitation at the Fort Smith Visitor Centre since 2022, before the wildfires eroded trust in travelling north. A 9% increase from 2025.

REPORT TO COUNCIL

Community Services
Community Services Monthly Report

Date: October 20th, 2026

Capital Project Updates

CRC Backup Generator and Heating: Administration is currently awaiting follow-up from the project engineers and associated consultants regarding next steps for the Community Recreation Centre backup generator project. Updated renderings, plans, and project details are currently in development and will help inform the next phase of the project. Further updates will be provided to Council as information becomes available.

Snowboard Park and Lookout Development; Engineers have been engaged to update project renderings for the Snowboard Park and Lookout Development project as Administration works toward the targeted project completion timeline of September 2027. Current revisions include exploring opportunities to incorporate and build from existing site infrastructure, including the current shelter and pilings, to support a more sustainable and cost-effective development approach. Administration has also applied for additional funding to support the project and will await confirmation of the funding application before proceeding with the next stages of project planning and development.

Prepared by:
Acting Director of Community Services
Samantha Stokell
Date: October 14th, 2026

Reviewed By:
Senior Administrative Officer
David Henderson
Date: October 15, 2026

RECOMMENDATION:

THAT THE COUNCIL OF THE TOWN OF FORT SMITH ACCEPTS THE MUNICIPAL SERVICES MONTHLY REPORT AS PRESENTED.

CAPITAL PROJECTS

Sidewalk repair and improvements – The approved portion of this project is completed for this year, and we will bring options for the future during the budget meetings.

Graveyard Fence – Work is ongoing.

Garbage Truck – No update for this report.

Water licence renewal – No update for this report.

Ice Resurfacers Replacement – No update for this report.

Water Tower Truck Fill Station – No update for this report.

The old chipper plant demolition – No update for this report.

Riding Mower – Completed.

Cross walk lights – Completed for this year.

Main lift station – The transformer pad has been installed and is ready for connection by Northwest Territories Power Corporation, which was expected by the end of the week of October 13, 2026. Pump installation can proceed once power is connected and panel testing is complete. CAB Construction has been asked to provide an updated construction schedule.

Landfill Expansion – No update for this report.

Raw Water Intake – Work on the Raw Water Intake is progressing, with the concrete walls poured and formwork removal underway. Installation of the roof steel beams is scheduled to begin on October 19, 2026. AECOM is reviewing the proposed changes for the mud flushing system and additional steel brackets and will prepare change orders for the Town’s approval.

Fire Hydrant Replacement – The fire hydrant behind Aurora College is completed.

Skid Steer Replacement (evergreen) – No update for this report.

PUBLIC WORKS

Fall clean-up was completed with no issues to report. Sewer flushing is ongoing, and the backup sewer flusher has returned from major service and is ready for use if required.

Traffic signage throughout the community has been changed and updated to align with the Transportation Master Plan approved by Mayor and Council. Public Works has also been assisting TDN with the installation of the graveyard fence by auguring holes and providing other required equipment support.

Preparations are underway for landfill fall cover once the shredding and the two buildings in town are demolished. In addition, the landfill fence was temporarily opened to allow the old chipper plant steel frame to be placed in the landfill for future repurposing.

Fall mulching has been completed in several areas around the community. This work supports fire prevention in the coming year and improves visibility in areas where growth had created concerns.

WATER PLANT

Summer water lines have been shut down and blown out, and water meters for customers on summer water lines have been removed. One empty PAC tank was also cleaned.

PAC performance differed from previous years, with polymer dropping out of the PAC earlier than expected. This caused significant buildup in tanks and pipes throughout the system. The manufacturer has been notified of the issue and is expected to provide solutions.

Chlorine and caustic were ordered, and old chlorine bottles were returned. A water leak at the ball diamond on McDougal was repaired; this summer water line is used by Facilities for ballpark maintenance and by the travelling carnival.

Installation of water meters is continuing at a steady pace.

Cleaning of the clarifier for winter operations has begun, including removal of mud from the walls and completion of minor repairs.

Boilers at the Water Plant have been turned on for the winter season, and the decant pump has been ordered and received, with installation to occur as soon as possible.

1. Neptune Meter Reader Upgrade

No new updates at for this report.

2. Frontier Lift Station

No new updates at for this report.

3. Primrose Lift Station

No new updates at for this report.

FACILITY MAINTENANCE

The mowing program continued for ditches, parks, playgrounds, and sports fields. Harry Sudom ballpark was prepared for the slow-pitch tournament.

Repairs were completed to the pool heat exchanger, including replacement of actuators and three-way valves.

Ongoing repairs continue at the snowboard shack. A new roof is being installed to prevent interior damage from leaks and to protect this well-used facility.

Cimco attended to start both ice plants. No issues were reported, and both plants are operating properly. Ice has been installed at the arena, and the arena is now open.



Briefing Note

To: Mayor and Council
From: Lands Officer Nicholas Carbery
Date: September 28, 2026
Subject: DPA-045-26 Home Occupation

PURPOSE:

Dave Porter and Sarah Rosolen have submitted a Home Occupation Development Application. This application is for the operation of **Aquila Solutions** at the following location:

Lot	Block	Plan	Zone	Civic Address
229	NA	207	R1	69 Pine Cres.
or Certificate of Title:			NA	

BACKGROUND:

The property is zoned R1 and a Home Occupation Business is a conditional use in this zone requiring Council approval.

CURRENT SITUATION:

A Home Occupation Business Licence application has been received for Aquila Solutions. The business will provide consulting, advisory, and administrative support services focused on the education, environment, emergency services, and community-development sectors. The application indicates that there will be no signage or construction associated with the business. Operations will occur as required, typically during regular business hours from Monday to Friday. The applicant has indicated that no increase in traffic to the residential property is anticipated.

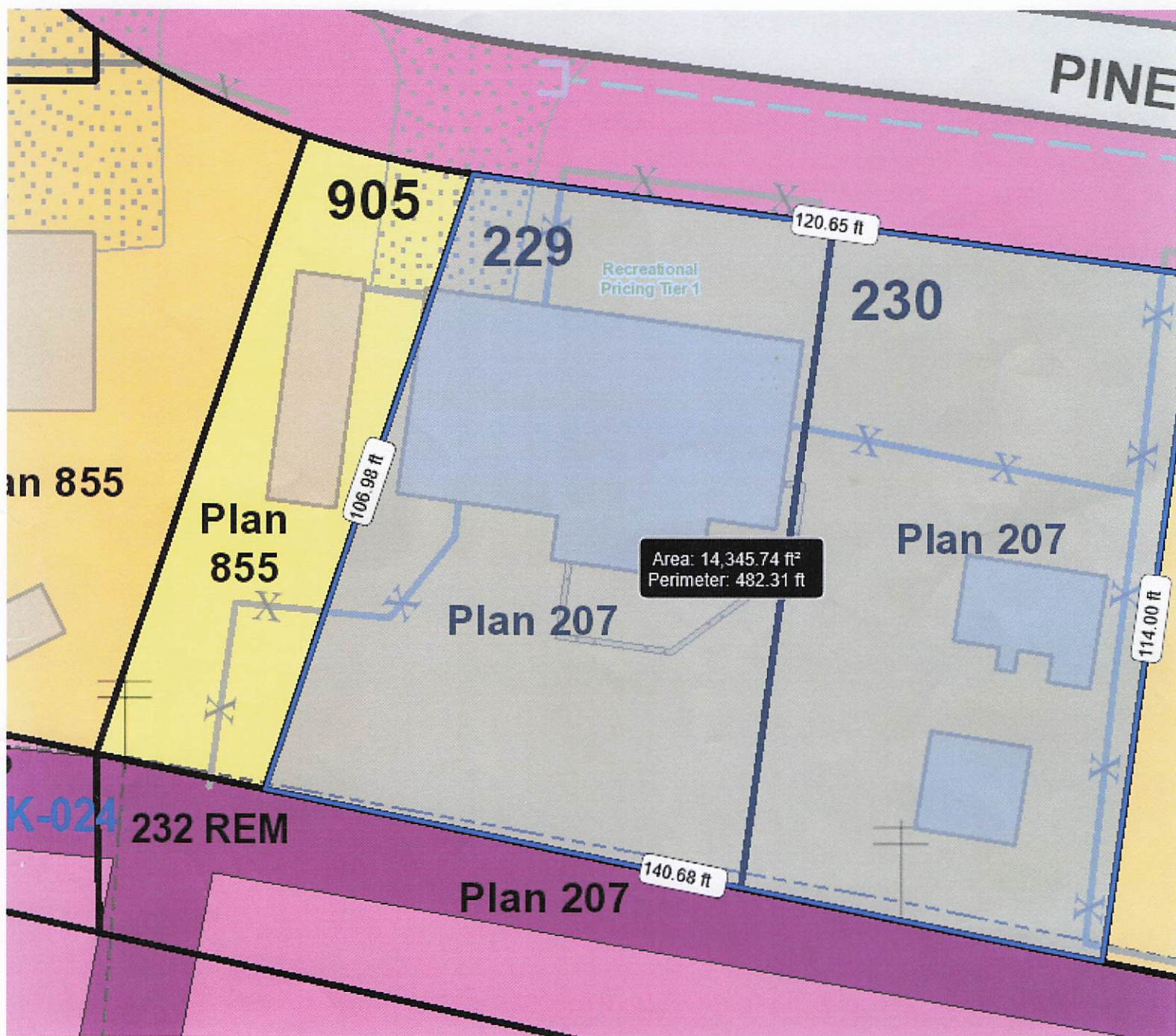
The Applicant has been advised of the requirement to comply with:

- All Town Bylaws, specifically the Town Zoning, Business License Bylaws and Unsightly Lands Bylaws;
- National Building Code, most current;
- National Fire Code, most current; and
- All Federal and Territorial Regulations.

CONSIDERATION:

The proposed business is primarily consulting, advisory, and administrative in nature. Based on the information provided in the application, no construction, signage, or increased traffic to the residential property is anticipated.

As a Home Occupation, the business must continue to comply with the applicable requirements of Zoning Bylaw No. 1063, including provisions intended to ensure that the operation does not negatively impact the residential character of the surrounding area.





TOWN OF FORT SMITH BUSINESS LICENSE APPLICATION

In accordance with Bylaw 504, Bylaw 873, and the current Rates and Fees Bylaw.

ALL BUSINESSES AFFECTING THE USE OR INTENSITY OF USE OF A PROPERTY PER ZONING BYLAW 936 MUST BE ACCOMPANIED BY A DEVELOPMENT PERMIT APPLICATION.

Date of Application SEPT. 2, 2026		New Application ☒	Renewal ☐
Name of Applicant DAVE PORTER & SARAH ROSOLEN		Name of Business AQUILA SOLUTIONS	
Business Street Address 69 PINE CRES	Legal Address 229 Lot: Plan: 207	Mailing Address Box 1475, Fort Smith, NT	
Phone Number 867 872 0249 / 867 872 0284	Fax Number	Can your business info be put on the Town's website? ☒ Yes ☐ No	
Email Address dave@aquilasolutions.net.ca		Business Website:	
Do you wish to receive email newsletters from the Town regarding Business opportunities? ☒ Yes ☐ No			
Type of Business: RESIDENT ☐ Commercial ☒ Home Occupation – Includes desk operations ☐ Commercial in a residential zone – Non-conforming ☐ Hawker/Peddler ☐ Junior Business ☐ Charitable Purposes		Type of Business: NON-RESIDENT ☐ Non-resident ☐ Non-resident Vendor ☐ Charitable Purposes	
☐ Change Fee ☐ Late Fee (if renewal received after February 15) ☒ Reduced resident rate (application after Sept. 1 st)			
ALL RATES AND FEES WILL BE BASED ON THE CURRENT RATES AND FEES BYLAW			
PROVIDE A COMPLETE DESCRIPTION OF YOUR BUSINESS: Include what the business does, how much foot and vehicle traffic there will be, what will be stored on-site, what services or products will be offered, what the hours of operation will be, what signs will be installed, what demolition or construction may occur etc. (Being thorough will avoid delays in processing times. Attach a separate letter if necessary.) Aquila Solutions provides consulting, advisory, and administrative support services focused within the education, environment, emergency services, and community development sectors. There will be no signage or construction activity required and hours of operation will be as and when required, typically during the regular business day - Monday to Friday. No anticipated increase of traffic to the residential location.			
Date of Commencement (If New or Non-Resident): November 2, 2026	Date of Termination (If Non-Resident):	Number of Employees Full Time: Part Time: 2	

I, DAVE PORTER, hereby make an application for a license in accordance with the particulars as above stated and certify that the number of persons employed in the said business will be 2 (or _____ person-years) including owner and that the necessary verification has been received in accordance with the provisions of the Worker's Compensation Act.

*** Note: If you wish to submit this application via email please send it to reception@fortsmith.ca**

Signature of Applicant

AQUILA SOLUTIONS

On Behalf of (Name of Business)

2026-09-04

Date

Signature of Development Officer

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TOWN OF FORT SMITH

Post Office Box 147, Northwest Territories, X0E 0P0
Phone: (867) 872-8400 Fax: (867) 872-8401

Application No. _____

DEVELOPMENT PERMIT APPLICATION

Applicant Information:

Name: DAVE ROETER & SARAH ROSOLEN Interest (if not owner): _____
Telephone: _____ Email: _____
Mailing Address: Box 1475, Fort Smith, NT

Owner Information (if different than applicant):

Registered Owner's Name: _____
Telephone: _____ Email: _____
Mailing Address: _____

Property Information:

Civic Address to be Developed: 69 PINE CRESCENT
Zoning: _____ Lot# 229 Block# _____ Plan# 207
Lot Width: _____ metres Lot Depth: _____ metres Lot Area: _____ square metres
Existing Use(s) of Property: RESIDENTIAL
Proposed Use(s) of Property (if applicable): HOME OCCUPATION BUSINESS

Estimated Cost of Project: \$ 0.00

Each application for a Development Permit **shall** be accompanied by a fee calculated in accordance with the current consolidated rates and fees bylaw.

I hereby make application under the provisions of the Town of Fort Smith Zoning Bylaw 936 for a Development Permit, in accordance with the plans and supporting information submitted herewith and which form a part of this application.

SIGNATURE:

Applicant's Signature

2026-09-04

Date

Owner's Signature (if different than applicant)

Date



TOWN OF FORT SMITH

Post Office Box 147, Northwest Territories, X0E 0P0
Phone: (867) 872-8400 Fax: (867) 872-8401

Application No. _____

PROPOSED DEVELOPMENT(S):

Check all applicable development(s) and submit the completed, corresponding checklist of required items with your application.

- ☐ 1. CONSTRUCTION ☐ 2. EXCAVATION ☒ 3. HOME OCCUPATION
☐ 4. RELOCATION ☐ 5. DEMOLITION ☐ 6. SIGN

1. CONSTRUCTION:

Proposed Building Dimensions:

Width: _____ Length: _____ Height: _____ Area: _____

- ☐ 1 set of site plans showing:
- Building outlines; - Legal description - Provisions for landscaping and drainage
 - Yards/Setbacks (front, rear, and side) - Provisions for off-street loading, parking, and property access
- ☐ 1 set of floor plans (minimum 1:100 scale)
- ☐ 1 set of elevations (minimum 1:100 scale)
- ☐ 1 set of sections (minimum 1:100 scale)
- ☐ Estimated commencement date _____
- ☐ Estimated completion date _____
- ☐ Proof that documents have been submitted to and reviewed by the Office of the Fire Marshal of the NWT (single-family dwelling units are exempted)

2. PROPOSED EXCAVATION

- ☐ 1 set of plans for the location of the excavation
- ☐ Plans for excess fill: _____
- ☐ Length (metres) _____ Width (metres) _____ Depth (metres) _____
- ☐ Planned Excavation Start Date _____
- ☐ Planned Excavation Completion Date _____

3. HOME OCCUPATION

- ☐ Business License Application Completed and Fees Paid.
- ☒ Business License and Zoning Bylaws reviewed to ensure the Home Occupation is suitable for a residential zone.
- ☒ A complete description of the business is submitted for review by the Development Officer.



TOWN OF FORT SMITH

Post Office Box 147, Northwest Territories, X0E 0P0
Phone: (867) 872-8400 Fax: (867) 872-8401

Application No. _____

4. PROPOSED RELOCATION

- ☐ Type of Building or Structure to be Relocated: _____
- ☐ From: Lot# _____ Block# _____ Plan# _____
- ☐ To: Lot# _____ Block# _____ Plan# _____
- ☐ Proposed Route: _____
- _____
- ☐ Planned Date of Move: _____

The following **CONDITIONS** apply to the relocation of buildings the applicant is responsible for:

1. Bylaw 936 Part 6.1 (7)
2. Securing a permit to construct on the destination property if applicable.
3. Alerting NorthwesTel Inc., NWT Power Corporation, the GNWT Department of Highways, and RCMP of the move.
4. Any damages which may occur as a result of this relocation.

5. PROPOSED DEMOLITION

- ☐ Type of Building or Structure to be Demolished: _____
- ☐ Demolition Methods to be used: _____
- ☐ Disposal Methods: _____
- ☐ Planned Demolition Start Date: _____
- ☐ Planned Demolition Finish Date: _____

6. PROPOSED SIGN

- ☐ Site Plan showing the location of the sign.
- ☐ 1 set of drawings to scale, showing:
- Sign location
 - Dimensions (Height, Width, and Thickness)
 - Size of letters
 - Projection from the building face
 - Height above average ground level at the building face
 - Manner of illumination, animation, or flashing lights (if applicable)
- ☐ Message on sign: _____
- ☐ Planned Installation Date: _____



Briefing Note

To: Mayor and Council
From: Lands Officer Nicholas Carbery
Date: September 28, 2026
Subject: DPA-046-26 Home Occupation

PURPOSE:

Delbert Bourke has submitted a Home Occupation Development Application. This application is for the operation of **M.B. Contracting** at the following location:

Lot	Block	Plan	Zone	Civic Address
682	NA	358	R2	208 Primrose Lane
or Certificate of Title:			NA	

BACKGROUND:

The property is zoned R2 and a Home Occupation Business is a conditional use in this zone requiring Council approval.

CURRENT SITUATION:

A Home Occupation Business Licence application has been received for M.B. Contracting. The business will provide carpentry and construction services throughout the Fort Smith and South Slave/region area.

The applicant has indicated that the business consists solely of himself and that the majority of work will be conducted off-site. The applicant will travel to job sites using his personal work truck and tools and provide contracting services on an hourly basis.

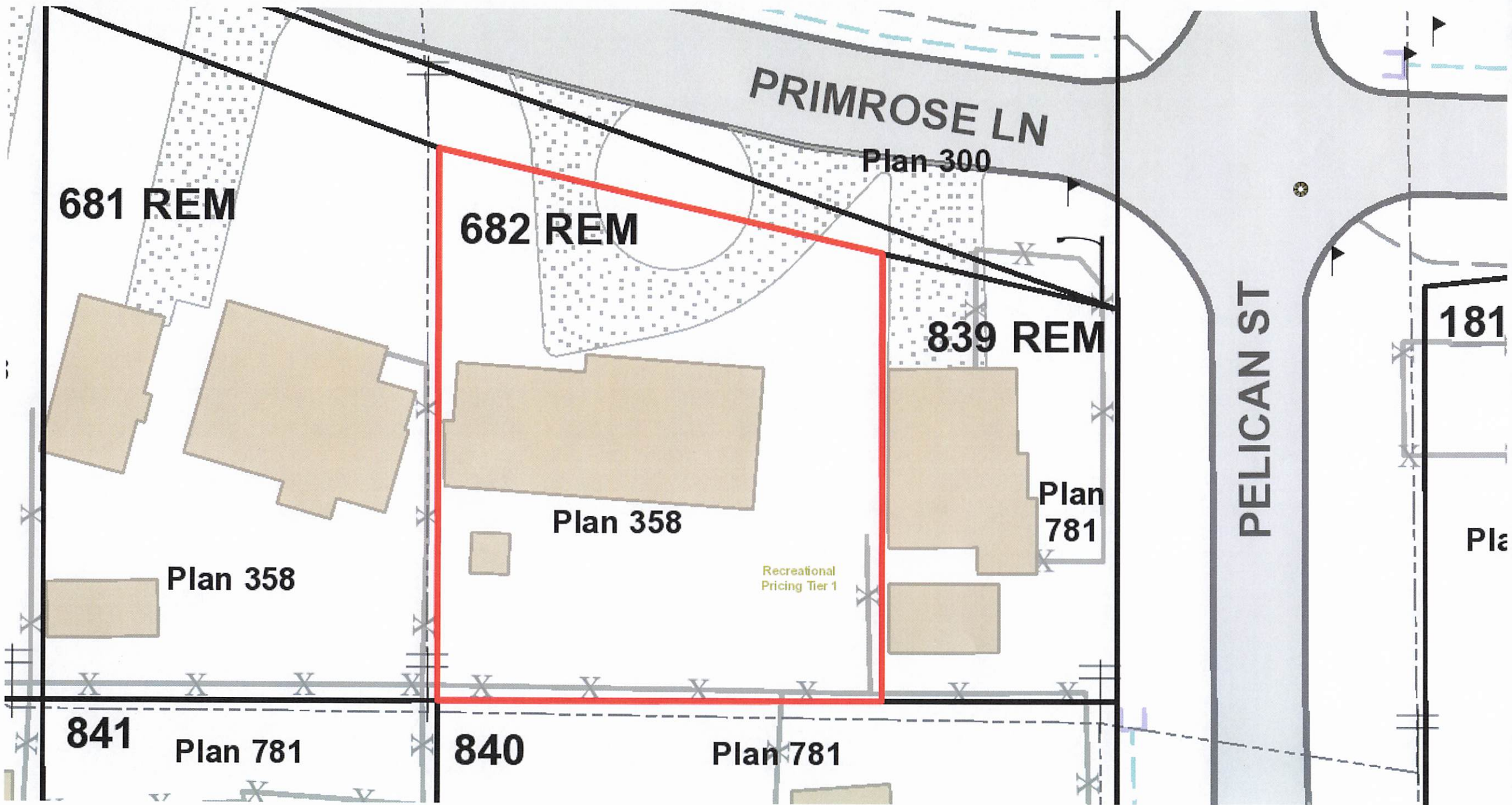
The Applicant has been advised of the requirement to comply with:

- All Town Bylaws, specifically the Town Zoning, Business License Bylaws and Unsightly Lands Bylaws;
- National Building Code, most current;
- National Fire Code, most current; and
- All Federal and Territorial Regulations.

CONSIDERATION:

The proposed business is primarily an off-site contracting operation, with the residential property serving as the home base for the business.

As a Home Occupation, the business must continue to comply with the applicable requirements of Zoning Bylaw No. 1063, including provisions relating to traffic, noise, outdoor storage, and maintaining the residential character of the property.





TOWN OF FORT SMITH BUSINESS LICENSE APPLICATION

In accordance with Bylaw 504, Bylaw 873, and the current Rates and Fees Bylaw.

RECEIVED

AUG 26 2026

ALL BUSINESSES AFFECTING THE USE OR INTENSITY OF USE OF A PROPERTY PER ZONING BYLAW 936 MUST BE ACCOMPANIED BY A DEVELOPMENT PERMIT APPLICATION.

Date of Application		New Application ☒ Renewal ☐	
Name of Applicant Delbert Bourke		Name of Business M.B. Contracting	
Business Street Address 208 Primrose Lane		Legal Address Lot: Plan:	Mailing Address PO Box 1169
Phone Number 867 621 0308		Fax Number	
Email Address Delbert0308@outlook.com		Can your business info be put on the Town's website? ☐ Yes ☒ No	
Business Website:		Do you wish to receive email newsletters from the Town regarding Business opportunities? ☐ Yes ☐ No	
Type of Business: RESIDENT ☐ Commercial ☒ Home Occupation – Includes desk operations ☐ Commercial in a residential zone – Non-conforming ☐ Hawker/Peddler ☐ Junior Business ☐ Charitable Purposes		Type of Business: NON-RESIDENT ☐ Non-resident ☐ Non-resident Vendor ☐ Charitable Purposes	
☐ Change Fee ☐ Late Fee (if renewal received after February 15) ☐ Reduced resident rate (application after Sept. 1 st)			
ALL RATES AND FEES WILL BE BASED ON THE CURRENT RATES AND FEES BYLAW			
PROVIDE A COMPLETE DESCRIPTION OF YOUR BUSINESS: Include what the business does, how much foot and vehicle traffic there will be, what will be stored on-site, what services or products will be offered, what the hours of operation will be, what signs will be installed, what demolition or construction may occur etc. (Being thorough will avoid delays in processing times. Attach a separate letter if necessary.) The business I am starting is a sole proprietorship and most of my work is with the Thich Builders in the Behchoko Region. I travel with my truck full of tools and rent myself out by the hour. I will deliver carpentry & construction services.			
Date of Commencement (If New or Non-Resident):		Date of Termination (If Non-Resident):	
		Number of Employees Full Time: 1 Part Time:	

I, Delbert Bourke, hereby make an application for a license in accordance with the particulars as above stated and certify that the number of persons employed in the said business will be 1 (or _____ person-years) including owner and that the necessary verification has been received in accordance with the provisions of the Worker's Compensation Act.

* Note: If you wish to submit this application via email please send it to reception@fortsmith.ca

Delbert Bourke
Signature of Applicant

M.B. Contracting
On Behalf of (Name of Business)

Signature of Development Officer

Date



TOWN OF FORT SMITH

Post Office Box 147, Northwest Territories, X0E 0P0
Phone: (867) 872-8400 Fax: (867) 872-8401

Application No. _____

DEVELOPMENT PERMIT APPLICATION

RECEIVED

AUG 26 2026

Applicant Information:

Name: Delbert Bourke Interest (if not owner): _____
Telephone: (867) 621 0308 Email: Delbert0308@Outlook.com
Mailing Address: PO Box 1169

Owner Information (if different than applicant):

Registered Owner's Name: Sheri Vogt
Telephone: 867 621 0055 Email: Sheri1vogt@hotmail.com
Mailing Address: Box 1365 Fort Smith, NT X0E 0P0

Property Information:

Civic Address to be Developed: 208 Primrose Ln
Zoning: _____ Lot# _____ Block# _____ Plan# _____
Lot Width: _____ metres Lot Depth: _____ metres Lot Area: _____ square metres
Existing Use(s) of Property: _____
Proposed Use(s) of Property (if applicable): _____

Estimated Cost of Project: \$ _____

Each application for a Development Permit **shall** be accompanied by a fee calculated in accordance with the current consolidated rates and fees bylaw.

I hereby make application under the provisions of the Town of Fort Smith Zoning Bylaw 936 for a Development Permit, in accordance with the plans and supporting information submitted herewith and which form a part of this application.

SIGNATURE:

[Signature]
Applicant's Signature

Aug 26 2026
Date

Owner's Signature (if different than applicant)

Date



TOWN OF FORT SMITH

Post Office Box 147, Northwest Territories, X0E 0P0
Phone: (867) 872-8400 Fax: (867) 872-8401

Application No. _____

PROPOSED DEVELOPMENT(S):

Check all applicable development(s) and submit the completed, corresponding checklist of required items with your application.

- ☐ 1. CONSTRUCTION ☐ 2. EXCAVATION ☐ 3. HOME OCCUPATION
☐ 4. RELOCATION ☐ 5. DEMOLITION ☐ 6. SIGN

1. CONSTRUCTION:

Proposed Building Dimensions:

Width: _____ Length: _____ Height: _____ Area: _____

☐ 1 set of site plans showing:

- Building outlines; - Legal description - Provisions for landscaping and drainage
- Yards/Setbacks (front, rear, and side) - Provisions for off-street loading, parking, and property access

☐ 1 set of floor plans (minimum 1:100 scale)

☐ 1 set of elevations (minimum 1:100 scale)

☐ 1 set of sections (minimum 1:100 scale)

☐ Estimated commencement date _____

☐ Estimated completion date _____

☐ Proof that documents have been submitted to and reviewed by the Office of the Fire Marshal of the NWT (single-family dwelling units are exempted)

2. PROPOSED EXCAVATION

☐ 1 set of plans for the location of the excavation

☐ Plans for excess fill: _____

☐ Length (metres) _____ Width (metres) _____ Depth (metres) _____

☐ Planned Excavation Start Date _____

☐ Planned Excavation Completion Date _____

3. HOME OCCUPATION

☒ Business License Application Completed and Fees Paid.

☒ Business License and Zoning Bylaws reviewed to ensure the Home Occupation is suitable for a residential zone.

☒ A complete description of the business is submitted for review by the Development Officer.



TOWN OF FORT SMITH

Post Office Box 147, Northwest Territories, X0E 0P0
Phone: (867) 872-8400 Fax: (867) 872-8401

Application No. _____

4. PROPOSED RELOCATION

- ☐ Type of Building or Structure to be Relocated: _____
- ☐ From: Lot# _____ Block# _____ Plan# _____
- ☐ To: Lot# _____ Block# _____ Plan# _____
- ☐ Proposed Route: _____

- ☐ Planned Date of Move: _____

The following **CONDITIONS** apply to the relocation of buildings the applicant is responsible for:

1. Bylaw 936 Part 6.1 (7)
2. Securing a permit to construct on the destination property if applicable.
3. Alerting NorthwTel Inc., NWT Power Corporation, the GNWT Department of Highways, and RCMP of the move.
4. Any damages which may occur as a result of this relocation.

5. PROPOSED DEMOLITION

- ☐ Type of Building or Structure to be Demolished: _____
- ☐ Demolition Methods to be used: _____
- ☐ Disposal Methods: _____
- ☐ Planned Demolition Start Date: _____
- ☐ Planned Demolition Finish Date: _____

6. PROPOSED SIGN

- ☐ Site Plan showing the location of the sign.
- ☐ 1 set of drawings to scale, showing:
- Sign location
 - Dimensions (Height, Width, and Thickness)
 - Size of letters
 - Projection from the building face
 - Height above average ground level at the building face
 - Manner of illumination, animation, or flashing lights (if applicable)
- ☐ Message on sign: _____
- ☐ Planned Installation Date: _____

**TOWN OF FORT SMITH
FORT SMITH, NT**

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

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Audited Financial Statements
Management Discussion and Analysis
Town of Fort Smith
For the Year Ended December 31, 2025

Overview

The Town of Fort Smith concluded the 2025 fiscal year in a strong financial position, with continued growth in accumulated surplus, stable operations, and significant investment in capital infrastructure. The audited financial statements present fairly, in all material respects, the financial position and results of operations in accordance with Canadian Public Sector Accounting Standards.

The year was characterized by several notable trend patterns; increased government transfer funding, particularly for capital projects, continued reliance on external funding sources, strategic investment in infrastructure and asset development, and strengthening of cash position and reserves.

As of December 31, 2025, the Town reported:

- ↑ Financial assets: \$21.16 million (up from \$18.59 million in 2024)
- ↓ Liabilities: \$12.19 million (up from \$11.37 million)
- ↑ Net financial resources: \$8.97 million (up from \$7.21 million)
- ↑ Accumulated surplus: \$62.99 million (up from \$58.40 million)

The increase in accumulated surplus reflects a strong operating year combined with continued capital investment and prudent financial management.

Cash and cash equivalents increased significantly to \$17.03 million, driven by strong operating cash flows and timing of capital funding. A substantial portion of this balance is restricted for capital projects and reserves.

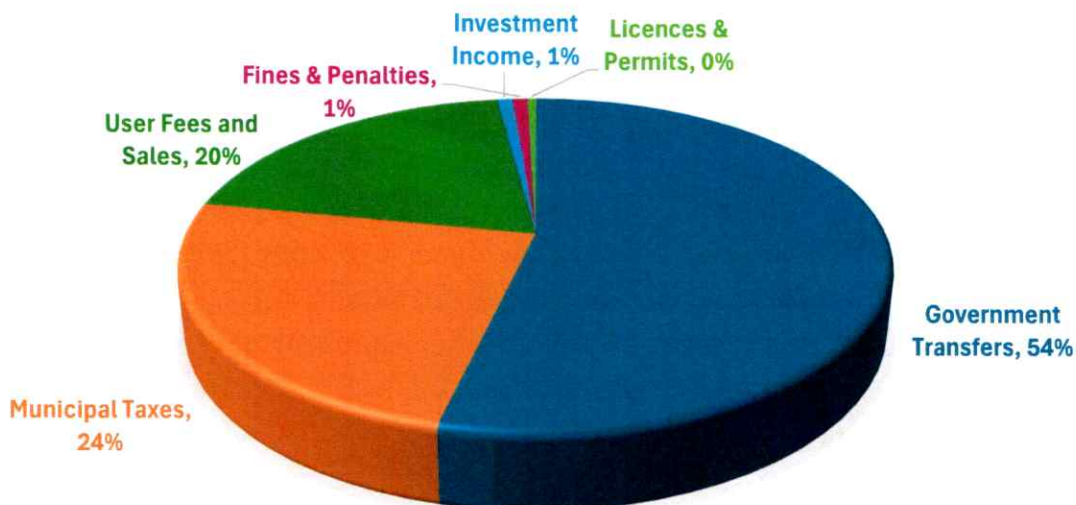
Operating Results

The Town generated an annual surplus of \$4.59 million, more than double the 2024 surplus of \$1.91 million.

Revenues

Total revenues reached \$18.15 million, an increase of approximately \$3.92 million (28%) over 2024.

REVENUE BREAKDOWN



Key drivers included:

- Government transfers: \$9.74 million (\$6.12 million in 2024)
- Municipal taxation: \$4.41 million (moderate growth year-over-year)
- User fees and sales: relatively stable at \$3.61 million

The increase in government transfers reflects both expanded program funding and capital project support, underscoring the Town's reliance on intergovernmental funding for infrastructure and operations.

Expenses

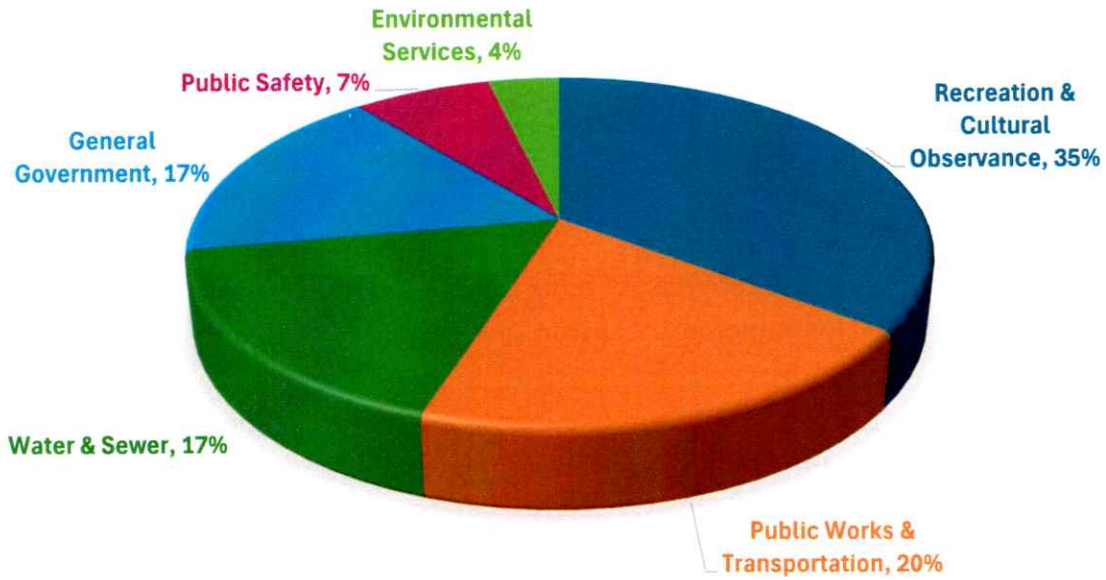
Total expenses were \$13.55 million, up from \$12.31 million in 2024 .

Key cost pressures included:

- Public Works and Transportation: increased to \$2.70 million
- Recreation and Culture: increased to \$4.77 million
- Amortization: \$2.22 million, reflecting the growing asset base

Despite these increases, revenue growth outpaced expenditures, resulting in a strong surplus position.

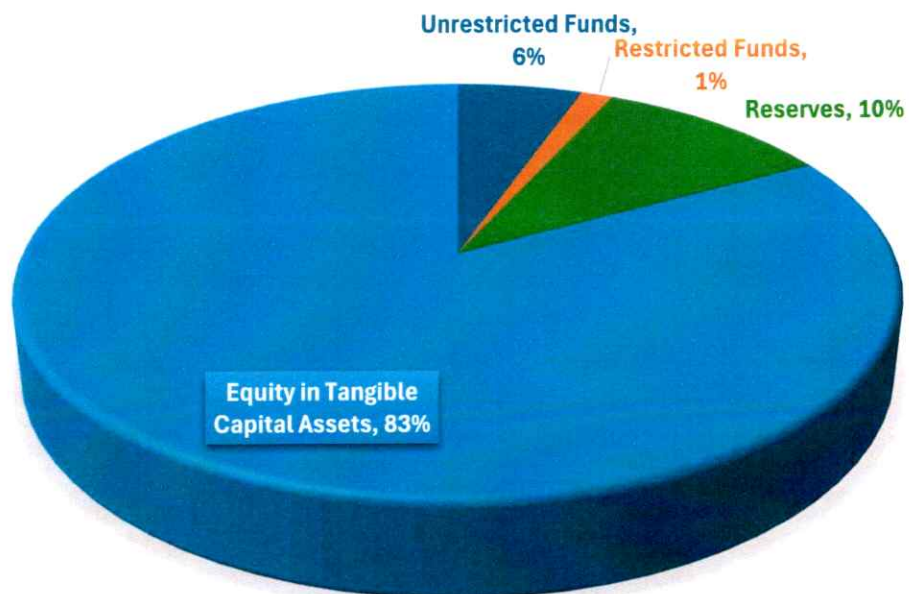
DISTRIBUTION OF EXPENSES



Cash Flow and Liquidity

The Town generated \$7.78 million in operating cash flow, a significant increase from \$3.25 million in 2024. Major contributing factors to this were increase in annual surplus and the reduction in accounts receivable.

SURPLUS AREAS



Capital Investment and Assets

The Town invested \$5.10 million in tangible capital assets during 2025 , including:

- Infrastructure improvements
- Waste management facilities
- Buildings and equipment

Total tangible capital assets reached a net book value of \$53.41 million, reflecting continued reinvestment in municipal infrastructure.

The Town's infrastructure base continues to expand, with amortization increasing accordingly, highlighting the importance of long-term asset management planning.

Reserves and Financial Sustainability

Reserves increased to \$6.49 million, up from \$5.49 million in 2024 .

Key reserve categories:

- General Operations Reserve
- Utility Infrastructure Replacement Reserve
- Environmental Services Reserve

Risks and Uncertainties

Reliance on Government Transfers

The Town continues to rely heavily on funding from the Government of the Northwest Territories and federal programs. A reduction or restructuring of this funding would significantly impact operations.

Landfill Closure and Environmental Liabilities

The Town has recognized a \$1.19 million landfill closure liability, with ongoing uncertainty regarding future costs and regulatory requirements.

Accounts Receivable and Credit Risk

Allowances for doubtful accounts remain significant, particularly in taxation and utilities, indicating ongoing collection risk.

Statutory Compliance

The Town currently lacks a method for measuring water consumption and determining economic rates, which places it in non-compliance with funding agreement requirements .

Contingencies

- Ongoing litigation exposure (\$250,000 claim)
- Pension plan obligations tied to NEBS
- Insurance-related risk-sharing arrangements

Outlook

The Town enters 2026 in a strong financial position, characterized by solid liquidity, growing reserves, continued access to external funding programs, and the elimination of long-term debt.

Conclusion

The 2025 fiscal year reflects a period of financial strengthening and strategic investment for the Town of Fort Smith. Strong operating performance, combined with effective use of external funding, has resulted in improved financial flexibility and resilience.

Maintaining this position will require continued discipline in financial management, proactive infrastructure planning, and careful navigation of external funding dependencies.

Yours truly,
Town of Fort Smith



David Henderson
Senior Administrative Officer



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.

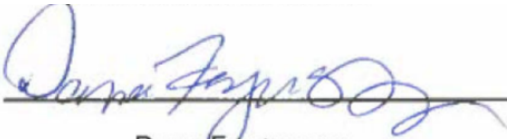
The financial statements are prepared by Administration in accordance with accounting principles recommended by the Department of Municipal and Community Affairs, based upon the requirements of the *Cities, Towns and Villages Act* of the Northwest Territories, and the Canadian Public Sector Accounting 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.

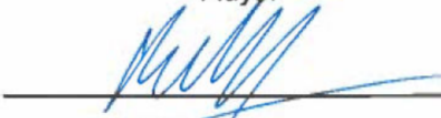
The financial statements have been reported on by Avery Cooper & Co. Ltd., Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Town of Fort Smith. Avery Cooper & Co. Ltd. has full and free access to the records of the Town of Fort Smith.



Dana Fergusson
Mayor

April 28, 2026

Date



David Henderson
Senior Administrative Officer

April 28, 2026

Date



AVERY COOPER & Co. LTD.

Chartered Professional Accountants

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Yellowknife, NT X1A 2P2
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Facsimile: (867) 873-2353
Toll-Free: 1-800-661-0787

INDEPENDENT AUDITOR'S REPORT

Mayor and Council
Town of Fort Smith

Report on the Financial Statements

Opinion

We have audited the financial statements of Town of Fort Smith which comprise the Statement of Financial Position as at December 31, 2025 and the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Fort Smith as at December 31, 2025 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Town of Fort Smith taken as a whole. The supplementary information included on various schedules is presented for purposes of additional information. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of financial statements taken as a whole.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

INDEPENDENT AUDITOR'S REPORT, cont'd

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT, cont'd

Report on Other Legal and Regulatory Requirements

We further report that, in our opinion, these financial statements are prepared, in all material respects, in accordance with the policies and standards prescribed for municipalities by the Cities, Towns & Villages Act and by the Department of Municipal and Community Affairs, Government of Northwest Territories. As required by the Cities, Towns and Villages Act we further report that, in our opinion, proper books of account have been maintained by the Town, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Town. We also report that, in our opinion these principles have been applied on a basis consistent with that of the preceding year.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

April 28, 2026

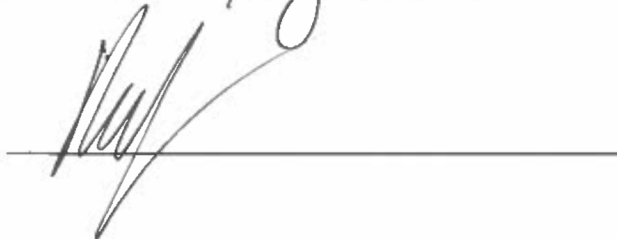
TOWN OF FORT SMITH**Statement I****STATEMENT OF FINANCIAL POSITION**

Wednesday, December 31, 2025

	<u>2025</u>	<u>2024</u>
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)	2,672,062	3,792,532
Inventory for resale - land	<u>714,577</u>	<u>694,577</u>
	<u>21,163,863</u>	<u>18,587,795</u>
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)	7,725,417	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)	<u>1,185,386</u>	<u>1,134,386</u>
	<u>12,189,824</u>	<u>11,373,295</u>
NET FINANCIAL RESOURCES (Statement III)	<u>8,974,039</u>	<u>7,214,502</u>
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	<u>146,658</u>	<u>116,307</u>
	<u>54,016,966</u>	<u>51,182,094</u>
ACCUMULATED SURPLUS (Note 13) and (Statement II)	<u>62,991,005</u>	<u>58,396,598</u>
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 <u>Actual</u>	2024 <u>Actual</u>
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	4,755,774	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	<u>59,350</u>	<u>84,703</u>	<u>69,825</u>
TOTAL REVENUES	<u>15,716,520</u>	<u>18,149,379</u>	<u>14,228,053</u>
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	2,339,006	2,210,327
Environmental Fund (Schedule 1f)	<u>699,301</u>	<u>499,380</u>	<u>485,177</u>
TOTAL EXPENSES (Schedule 7)	<u>12,771,845</u>	<u>13,554,979</u>	<u>12,314,648</u>
ANNUAL SURPLUS (DEFICIT)	<u>2,944,675</u>	<u>4,594,400</u>	<u>1,913,405</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>58,396,598</u>	<u>58,396,598</u>	<u>56,483,189</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 59,427,864</u>	<u>\$ 62,991,005</u>	<u>\$ 58,396,598</u>

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 <u>Actual</u>	2024 <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>2,944,675</u>	\$ <u>4,594,400</u>	\$ <u>1,913,405</u>
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 & reallocation of tangible capital assets	<u>-</u>	<u>63,623</u>	<u>95,841</u>
(Increase)/Decrease in tangible capital assets	<u>(15,251,760)</u>	<u>(2,812,310)</u>	<u>(157,006)</u>
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	<u>-</u>	<u>116,307</u>	<u>129,764</u>
CHANGE IN NET FINANCIAL ASSETS	(12,307,085)	1,759,537	1,778,326
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>7,214,502</u>	<u>7,214,502</u>	<u>5,436,176</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u>(5,092,583)</u>	\$ <u>8,974,039</u>	\$ <u>7,214,502</u>

See the accompanying notes and schedules.

TOWN OF FORT SMITH**Statement IV****STATEMENT OF CASH FLOW**

For the Year Ended Wednesday, December 31, 2025

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING TRANSACTIONS		
Annual Surplus	\$ 4,594,400	\$ 1,913,405
Adjustments for non-cash items and changes in accounts:		
Accounts receivable	1,287,330	(1,401,565)
Land inventory	(20,000)	-
Liabilities (other than long-term)	(447,765)	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 writedown of tangible capital assets	34,061	-
Bad debts expense	<u>133,924</u>	<u>301,807</u>
Net cash from operations	<u>7,780,615</u>	<u>3,252,034</u>
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets (Note 24)	<u>(3,898,345)</u>	<u>(2,389,491)</u>
CASH FLOWS FROM FINANCING TRANSACTIONS		
Long-term debt repaid	<u>(38,872)</u>	<u>(506,462)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,843,398	356,081
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>13,186,439</u>	<u>12,830,358</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 17,029,837</u>	<u>\$ 13,186,439</u>

See the accompanying notes and schedules.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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:

	<u>Years</u>
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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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.

NOTE 2 CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Cash (Note 5)	\$ <u>17,029,837</u>	\$ <u>13,186,439</u>

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

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 3 TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLE

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

NOTE 4 TRADE AND OTHER ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Municipal and Community Affairs	\$ 1,654,542	\$ 2,994,103
GNWT - Other departments	<u>50,000</u>	<u>10,000</u>
	<u>1,704,542</u>	<u>3,004,103</u>
Utilities	385,214	362,895
Less: allowance for doubtful accounts	<u>(145,056)</u>	<u>(89,920)</u>
	<u>240,158</u>	<u>272,975</u>
Other	887,510	693,721
Less: allowance for doubtful accounts	<u>(160,148)</u>	<u>(178,267)</u>
	<u>727,362</u>	<u>515,454</u>
	<u>\$ 2,672,062</u>	<u>\$ 3,792,532</u>

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 5 DEPOSITS

<u>Source</u>	<u>Deferred Revenue</u>	<u>Reserves</u>	<u>Less Amount Receivable</u>	<u>Total Required Deposit</u>	<u>Actual Bank Deposit</u>	<u>Overage/ (Shortfall)</u>
Canada						
Community-						
Building Fund	\$ 4,466,938	\$ -	\$ 532,500	\$ 3,934,438	\$ 8,368,865	\$ 4,434,427
Community						
Public						
Infrastructure	2,598,381	-	-	2,598,381	5,583,579	2,985,198
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						
Environmenta						
l Services	-	1,224,543	-	1,224,543	368,571	(855,972)
Daily						
operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,425,424</u>	<u>2,425,424</u>
	<u>\$ 7,065,319</u>	<u>\$ 6,489,822</u>	<u>\$ 532,500</u>	<u>\$13,022,641</u>	<u>\$17,029,837</u>	<u>\$ 4,007,196</u>

Deposits comprise:

		<u>2025</u>	<u>2024</u>
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	<u>2,425,424</u>	<u>3,328,568</u>
		<u>\$ 17,029,837</u>	<u>\$ 13,186,439</u>

TOWN OF FORT SMITH

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

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

NOTE 8 DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Gas Tax	\$ 4,466,938	\$ 5,707,998
Community Public Infrastructure	2,598,381	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	<u>7,442</u>	<u>-</u>
	<u>\$ 7,725,417</u>	<u>\$ 8,239,032</u>

NOTE 9 LONG-TERM DEBT

	<u>2025</u>	<u>2024</u>
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.	\$ <u>-</u>	\$ <u>38,872</u>

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

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 10 RESERVES

Reserves for operating and capital activities changed as follows:

<u>Reserves</u>	<u>Type</u>	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
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	<u>923,502</u>	<u>301,041</u>	<u>-</u>	<u>1,224,543</u>
		<u>\$ 5,493,173</u>	<u>\$ 1,031,076</u>	<u>\$ 34,428</u>	<u>\$ 6,489,822</u>

NOTE 11 NET MUNICIPAL TAXATION

	<u>2025</u>	<u>2024</u>
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	<u>(470,228)</u>	<u>(455,648)</u>
	<u>\$ 4,412,227</u>	<u>\$ 3,924,336</u>

NOTE 12 EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
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)	<u>(1,219,225)</u>	<u>(20,410)</u>
	<u>\$ 52,186,867</u>	<u>\$ 50,534,500</u>

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 13 ACCUMULATED SURPLUS

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

	<u>2025</u>	<u>2024</u>
Unrestricted surplus		
General Fund (Schedule 7)	\$ <u>3,438,846</u>	\$ <u>1,807,240</u>
Restricted surplus		
Utility Operating Fund	465,241	198,695
Environmental Operating Fund	348,131	301,041
Land Development Fund	<u>62,098</u>	<u>61,948</u>
Total Restricted surplus	<u>875,470</u>	<u>561,684</u>
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	<u>1,224,543</u>	<u>923,502</u>
Total Reserves	<u>6,489,822</u>	<u>5,493,174</u>
Equity in tangible capital assets	<u>52,186,867</u>	<u>50,534,500</u>
Accumulated surplus	\$ <u><u>62,991,005</u></u>	\$ <u><u>58,396,598</u></u>

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 14 GOVERNMENT TRANSFERS

	<u>2025</u>	<u>2024</u>
GOVERNMENT OF CANADA TRANSFERS		
Conibear Park & Cultural Site	\$ <u>-</u>	\$ <u>190,000</u>
	<u>-</u>	<u>190,000</u>
 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	<u>136,134</u>	<u>-</u>
	<u>3,400,134</u>	<u>3,079,000</u>
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	4,829	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	20,022	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
- CHIP - Raw Water Intake Rehabilitation	<u>663,634</u>	<u>-</u>
	<u>2,325,645</u>	<u>881,123</u>

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

NOTE 14 GOVERNMENT TRANSFERS, continued

Other Restricted Funding:	<u>2025</u>	<u>2024</u>
- Gas Tax	1,065,000	1,014,000
- Community Public Infrastructure	<u>1,833,000</u>	<u>1,656,000</u>
	2,898,000	2,670,000
- Interest earned	332,231	446,849
- Transfers from (to) Deferred Revenue	<u>784,285</u>	<u>(1,145,622)</u>
	<u>4,014,516</u>	<u>1,971,227</u>
	9,740,295	6,121,350

COMPRISED OF:

Government transfers for operations	4,984,521	3,867,681
Government transfers for capital	<u>4,755,774</u>	<u>2,253,669</u>
	<u>\$ 9,740,295</u>	<u>\$ 6,121,350</u>

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:

	<u>2025</u>	<u>2024</u>
Municipal and Community Affairs - Operations and Maintenance	<u>\$ 2,466,000</u>	<u>\$ 2,408,000</u>

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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:

	<u>2025</u>	<u>2024</u>
Employers' contribution	\$ 330,740	\$ 261,892
Employees' contribution	<u>330,740</u>	<u>261,892</u>
	<u>\$ 661,480</u>	<u>\$ 523,784</u>

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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, 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.

	<u>2025</u>
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	<u>155,182</u>
Annual Surplus	\$ <u><u>2,944,675</u></u>

NOTE 22 CAPITAL BUDGET

	<u>2025</u>
Capital Budget as Approved	\$ <u><u>16,715,630</u></u>
Tangible Capital Asset Acquisitions (Statement III)	\$ <u><u>16,715,630</u></u>

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

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:

<u>Project</u>	<u>Term/conditions</u>
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.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS

Wednesday, December 31, 2025

Canada-NWT CHIF Agreement - Raw Water
Intake Rehabilitation (CHIF - RWIR)

The GNWT will pay an amount not exceeding \$3,398,294. The Federal sources shall not exceed 75% of the total eligible expenditures. The agreement expires March 31, 2033.

Future maximum contributions remaining under these agreements are as follows:

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
ICIPConibear	\$ 219,225	\$ -	\$ -	\$ 219,225
MACAEMR	10,000	-	-	10,000
ICIPLandfill	992,459	-	-	992,459
ICIP - Riverside Park	948,872	-	-	948,872
HAF	654,005	654,005	654,005	1,962,015
SCHF	50,000	50,000	-	100,000
CIRNAC - Slope Monitoring	137,133	1,000	-	138,133
CHIF - RWIR	<u>2,734,660</u>	<u>-</u>	<u>-</u>	<u>2,734,660</u>
	<u>\$ 5,746,354</u>	<u>\$ 705,005</u>	<u>\$ 654,005</u>	<u>\$ 7,105,364</u>

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

	<u>Land</u>	<u>Buildings, Improvements & Structures</u>	<u>Waste Management Facilities Infrastructure</u>	<u>Parks Infrastructure</u>	<u>Roads</u>	<u>IT and Other Infrastructure</u>	<u>Vehicles</u>	<u>Assets Under Construction</u>	<u>2025</u>	<u>2024</u>
Cost:										
Balance, opening	\$ 3,520,600	\$ 44,126,036	\$ 6,073,750	\$ 2,274,111	\$ 7,535,934	\$ 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
Reallocation	(20,000)	-	-	-	-	-	-	(9,562)	(29,562)	-
Writedown & re-allocation of tangible capital assets	<u>-</u>	<u>(189,226)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(189,226)</u>	<u>(95,841)</u>
Balance, closing	<u>3,500,600</u>	<u>44,988,637</u>	<u>7,944,470</u>	<u>2,274,111</u>	<u>7,563,718</u>	<u>8,153,783</u>	<u>7,477,127</u>	<u>4,604,343</u>	<u>96,506,789</u>	<u>91,628,417</u>
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	<u>-</u>	<u>(155,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(155,165)</u>	<u>-</u>
Balance, closing	<u>-</u>	<u>23,499,097</u>	<u>4,483,524</u>	<u>1,203,424</u>	<u>7,973,738</u>	<u>1,400,834</u>	<u>4,540,080</u>	<u>-</u>	<u>43,100,697</u>	<u>41,034,635</u>
Net book value	<u>\$ 3,500,600</u>	<u>\$ 21,489,540</u>	<u>\$ 3,460,946</u>	<u>\$ 1,070,687</u>	<u>\$ 9,589,980</u>	<u>\$ 6,752,949</u>	<u>\$ 2,937,047</u>	<u>\$ 4,604,343</u>	<u>\$ 53,406,092</u>	<u>\$ 50,593,782</u>

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 <u>Actual</u>	2024 <u>Actual</u>
REVENUES			
Net Municipal taxes	\$ 4,219,316	\$ 4,412,227	\$ 3,924,336
Government transfers	5,741,000	7,707,953	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	<u>50,000</u>	<u>165,324</u>	<u>294,534</u>
Total Revenues	<u>10,304,666</u>	<u>12,674,328</u>	<u>9,362,074</u>
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 on writedown of assets	<u>-</u>	<u>34,061</u>	<u>-</u>
Total Expenses	<u>2,178,885</u>	<u>2,271,207</u>	<u>2,227,947</u>
Excess (deficiency) of Revenue over Expenses	<u>\$ 8,125,781</u>	<u>\$ 10,403,121</u>	<u>\$ 7,134,127</u>

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 <u>Actual</u>	2024 <u>Actual</u>
REVENUES			
Government transfers	\$ 37,000	\$ 47,000	\$ 47,000
User fees and sales of goods	<u>536,280</u>	<u>520,106</u>	<u>476,929</u>
Total Revenues	<u>573,280</u>	<u>567,106</u>	<u>523,929</u>
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	<u>145,198</u>	<u>226,990</u>	<u>208,762</u>
Total Expenses	<u>907,991</u>	<u>979,304</u>	<u>830,714</u>
Excess (deficiency) of Revenue over Expenses	\$ <u>(334,711)</u>	\$ <u>(412,198)</u>	\$ <u>(306,785)</u>

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 <u>Actual</u>	2024 <u>Actual</u>
REVENUES			
User fees and sales of goods	\$ <u>3,000</u>	\$ <u>9,900</u>	\$ <u>3,650</u>
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	<u>564,531</u>	<u>718,685</u>	<u>684,979</u>
Total Expenses	<u>2,258,599</u>	<u>2,695,109</u>	<u>2,309,098</u>
Excess (deficiency) of Revenue over Expenses	\$ <u>(2,255,599)</u>	\$ <u>(2,685,209)</u>	\$ <u>(2,305,448)</u>

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 <u>Actual</u>	2024 <u>Actual</u>
REVENUES			
User fees and sales of goods	\$ 727,170	\$ 534,224	\$ 582,068
Other Gov't transfers	<u>1,230,017</u>	<u>1,162,586</u>	<u>657,204</u>
Total Revenues	<u>1,957,187</u>	<u>1,696,810</u>	<u>1,239,272</u>
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	<u>321,000</u>	<u>747,185</u>	<u>673,801</u>
Total Expenses	<u>4,394,474</u>	<u>4,770,973</u>	<u>4,251,385</u>
Excess (deficiency) of Revenue over Expenses	\$ <u>(2,437,287)</u>	\$ <u>(3,074,163)</u>	\$ <u>(3,012,113)</u>

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 <u>Actual</u>	2024 <u>Actual</u>
REVENUES			
GNWT - Transfers	\$ 606,000	\$ 798,000	\$ 671,000
Private	1,405,484	1,436,849	1,444,483
Other	<u>96,112</u>	<u>93,969</u>	<u>91,355</u>
Total Revenues	<u>2,107,596</u>	<u>2,328,818</u>	<u>2,206,838</u>
EXPENSES			
Salaries and Benefits	604,999	617,291	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	<u>410,000</u>	<u>489,341</u>	<u>467,155</u>
Total Expenses	<u>2,332,595</u>	<u>2,339,006</u>	<u>2,210,327</u>
Excess (deficiency) of Revenue over Expenses	\$ <u>(224,999)</u>	\$ <u>(10,188)</u>	\$ <u>(3,489)</u>

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 <u>Actual</u>	2024 <u>Actual</u>
REVENUES			
Levies	\$ <u>770,791</u>	\$ <u>847,511</u>	\$ <u>892,141</u>
Total Revenues	<u>770,791</u>	<u>847,511</u>	<u>892,141</u>
EXPENSES			
Salaries and benefits	349,675	268,819	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	<u>42,000</u>	<u>-</u>	<u>3,785</u>
Total Expenses	<u>699,301</u>	<u>499,380</u>	<u>485,177</u>
Excess (deficiency) of Revenue over Expenses	\$ <u><u>71,490</u></u>	\$ <u><u>348,131</u></u>	\$ <u><u>406,964</u></u>

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 <u>Actual</u>	2024 <u>Actual</u>
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 (CCBF) REPORT

For the Year Ended Wednesday, December 31, 2025

	<u>2005 - 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Funding						
Opening balance	\$ -	\$ 5,216,823	\$ 5,726,326	\$ 5,611,704	\$ 5,707,998	\$ -
Annual CCBF Allocation	13,278,095	963,000	1,014,000	1,014,000	1,065,000	17,334,095
Interest earned	<u>172,847</u>	<u>105,404</u>	<u>275,874</u>	<u>279,880</u>	<u>190,379</u>	<u>1,024,384</u>
	<u>13,450,942</u>	<u>6,285,227</u>	<u>7,016,200</u>	<u>6,905,584</u>	<u>6,963,377</u>	<u>18,358,479</u>
 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	-	(7,460)	1,585,285
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 (CCBF) REPORT - continued

For the Year Ended Wednesday, December 31, 2025

	<u>2005 - 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
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 Assessment	-	-	-	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	<u>142,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,500</u>
	<u>8,234,119</u>	<u>558,901</u>	<u>1,404,496</u>	<u>1,197,586</u>	<u>2,496,439</u>	<u>13,891,541</u>
Transfer to Deferred Revenue	<u>\$ 5,216,823</u>	<u>\$ 5,726,326</u>	<u>\$ 5,611,704</u>	<u>\$ 5,707,998</u>	<u>\$ 4,466,938</u>	<u>\$ 4,466,938</u>

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE (CPI) FUND

For the Year Ended Wednesday, December 31, 2025

	<u>2008 - 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
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	<u>270,842</u>	<u>135,657</u>	<u>222,988</u>	<u>166,970</u>	<u>141,852</u>	<u>938,309</u>
	<u>16,854,162</u>	<u>6,253,728</u>	<u>3,251,685</u>	<u>3,489,554</u>	<u>4,299,547</u>	<u>23,902,629</u>
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 (CPI) FUND - continued

For the Year Ended Wednesday, December 31, 2025

	<u>2008 - 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
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	-	92,646	177,531

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE (CPI) FUND - continued

For the Year Ended Wednesday, December 31, 2025

	<u>2008 - 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
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	-	-	35,356
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 (CPI) FUND - continued

For the Year Ended Wednesday, December 31, 2025

	<u>2008 - 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
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
Loader Replacement	-	-	-	-	547,900	547,900
Raw Water Intake/Pumphouse						
Replacement - CHIP	-	-	-	-	210,474	210,474
Riverside Park and Lookout						
Development - ICIP	-	-	-	-	6,674	6,674
Town Hall Retrofit	-	-	-	-	23,006	23,006
Landfill Reclamation and Expansion						
inc bld - ICIP	-	-	-	-	17,591	17,591
2024 Fire Hydrant ineligible under						
CCBF	-	-	-	-	139,239	139,239
Conibear Park - ICIP	-	-	-	-	1,610	1,610
Street Crossing Lights (T Plan)	-	-	-	-	27,784	27,784
	<u>12,182,091</u>	<u>4,671,031</u>	<u>1,585,101</u>	<u>1,164,859</u>	<u>1,701,166</u>	<u>21,304,248</u>
Transfer to Deferred Revenue	\$ <u>4,672,071</u>	\$ <u>1,582,697</u>	\$ <u>1,666,584</u>	\$ <u>2,324,695</u>	\$ <u>2,598,381</u>	\$ <u>2,598,381</u>

TOWN OF FORT SMITH

Schedule 4

INVESTMENT IN CANADA INFRASTRUCTURE FUND (ICIP)

For the Year Ended Wednesday, December 31, 2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Funding						
ICIP Funding	\$ <u>309,791</u>	\$ <u>3,469,912</u>	\$ <u>-</u>	\$ <u>86,366</u>	\$ <u>77,624</u>	\$ <u>3,943,693</u>
Expenses						
Basket Ball Court and Trails	309,791	-	-	-	-	309,791
Riverside Park and Lookout Update	-	-	-	16,106	20,022	36,128
Road Upgrades	-	3,387,709	-	-	-	3,387,709
Conibear Park	-	82,203	-	59,367	4,829	146,399
Landfill Expansion	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,893</u>	<u>52,773</u>	<u>63,666</u>
	<u>309,791</u>	<u>3,469,912</u>	<u>-</u>	<u>86,366</u>	<u>77,624</u>	<u>3,943,693</u>
	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

TOWN OF FORT SMITH

Schedule 5

CANADA HOUSING INFRASTRUCTURE FUND (CHIF)

For the Year Ended Wednesday, December 31, 2025

	<u>2025</u>	<u>Total</u>
Funding		
CHIF Funding	\$ <u>663,634</u>	\$ <u>663,634</u>
 Expenses		
Raw Water Intake Rehabilitation	<u>663,634</u>	<u>663,634</u>
	<u>663,634</u>	<u>663,634</u>
	 \$ <u><u>-</u></u>	 \$ <u><u>-</u></u>

TOWN OF FORT SMITH

Schedule 6

CHANGES IN FUND BALANCES

For the Year Ended Wednesday, December 31, 2025

	<u>General Fund</u>	<u>Utility Operating Fund</u>	<u>Environmental Operating Fund</u>	<u>Land Development Fund</u>	<u>Equity in Tangible Capital Assets</u>	<u>Reserve Fund</u>	<u>2025</u>	<u>2024</u>
Annual Surplus (Deficit)	\$ 4,256,314	\$ (10,188)	\$ 348,131	\$ 150	\$ -	\$ -	\$ 4,594,407	\$ 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	<u>(483,000)</u>	<u>(212,607)</u>	<u>(301,041)</u>	<u>-</u>	<u>-</u>	<u>996,648</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>1,631,606</u>	<u>266,546</u>	<u>47,090</u>	<u>150</u>	<u>1,652,367</u>	<u>996,648</u>	<u>4,594,407</u>	<u>1,913,409</u>
Fund balance, beginning of year	<u>1,807,240</u>	<u>198,695</u>	<u>301,041</u>	<u>61,948</u>	<u>50,534,500</u>	<u>5,493,174</u>	<u>58,396,598</u>	<u>56,483,189</u>
Fund balance, end of year	<u>\$ 3,438,846</u>	<u>\$ 465,241</u>	<u>\$ 348,131</u>	<u>\$ 62,098</u>	<u>\$ 52,186,867</u>	<u>\$ 6,489,822</u>	<u>\$ 62,991,005</u>	<u>\$ 58,396,598</u>

RESERVES CONSIST OF:

	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
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	<u>923,502</u>	<u>301,041</u>	<u>-</u>	<u>1,224,543</u>
	<u>\$ 5,493,173</u>	<u>\$ 1,031,077</u>	<u>\$ 34,428</u>	<u>\$ 6,489,822</u>

GENERAL FUND CONSISTS OF:

	<u>2025</u>	<u>2024</u>
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	<u>5,326,651</u>	<u>3,487,038</u>
	<u>\$ 3,438,846</u>	<u>\$ 1,807,240</u>

TOWN OF FORT SMITH**Schedule 7****EXPENSES BY OBJECT**

For the Year Ended Wednesday, December 31, 2025

	2025 Budget (Unaudited)	2025 <u>Actual</u>	2024 <u>Actual</u>
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	797,011	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	<u>551,962</u>	<u>475,268</u>	<u>411,587</u>
Total Expenses	\$ <u>12,771,845</u>	\$ <u>13,554,979</u>	\$ <u>12,314,648</u>

TOWN OF FORT SMITH**Schedule 8****SALARIES, HONORARIA AND TRAVEL PAID TO MAYOR AND COUNCIL**

For the Year Ended Wednesday, December 31, 2025

<u>Position</u>	<u>Salary</u>	<u>Honoraria</u>	<u>Travel</u>	<u>Total</u>
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	<u>6,000</u>	<u>3,100</u>	<u>-</u>	<u>9,100</u>
	<u>\$ 116,000</u>	<u>\$ 25,700</u>	<u>\$ 19,197</u>	<u>\$ 160,897</u>



AVERY COOPER & Co. LTD.

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Toll-Free: 1-800-661-0787

April 28, 2026

Town of Fort Smith
PO Box 147
174 McDougal Road
Fort Smith, NT X0E 0P0

Ref # 2033

Dear Members:

We have recently completed our audit of your financial statements for the year ended December 31, 2025. As indicated in our Auditors' Report, as a result of our examination we were able to render a clear opinion as to the fairness of these statements.

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and is not designed to identify matters that may be of interest to administration in discharging its responsibilities. Nor can an audit be expected to disclose defalcations and other irregularities.

Although an audit is not designed to express an opinion as to whether the systems of internal control have been properly implemented or have been operating effectively, we have attached a memorandum to this letter outlining some suggestions for your consideration. This report is not exhaustive, and deals with the more important matters that came to our attention during the audit. A number of these matters may have been mentioned in previous management letters. Minor matters were discussed verbally with administration.

We believe the implementation of these recommendations will provide the organization with a stronger system of internal accounting control while also making its operations more efficient. We will be pleased to discuss the details of these recommendations with you and assist in any way possible with their implementation.

We would like to express our appreciation for the cooperation and assistance we received during the course of our audit from the staff.

Yours truly,

AVERY COOPER & CO. LTD.

William Senfuma, CPA, CGA
Senior Manager
Encl.

Attachment

TOWN OF FORT SMITH
MEMORANDUM ON ACCOUNTING SYSTEMS AND INTERNAL CONTROL
December 31, 2025

Page 1 of 4

OBSERVATION	WEAKNESS OR INEFFICIENCY	X - IF THIS ISSUE IS O/S FROM PREVIOUS AUDIT	RECOMMENDATION	MANAGEMENT COMMENTS
<u>CASH</u>				
No counts performed for petty cash and cash floats at the different locations.	Potential for errors and/or fraud.	X	We recommend that supervised counts for petty cash and cash floats be performed periodically/monthly, reconciled and approved.	<i>Town has incorporated a monthly surprise cash count for float and petty cash as of October 1st, 2026, for all locations.</i>
<u>RESERVE AND RESTRICTED DEPOSITS</u>				
The Town did not have sufficient funds in the required Reserve Bank accounts as at December 31, 2025.	The Town is in violation of MACA policies and guidelines.	X	The Town should ensure each separate restricted deposit is sufficient to satisfy the required balance. We recommend the transfer of some of excess balances in the CPI and CCBF bank accounts to cover the shortfall in the reserve bank account.	<i>Town will incorporate this process on its monthly Finance month end close, before the end of fiscal 2026.</i>

TOWN OF FORT SMITH
MEMORANDUM ON ACCOUNTING SYSTEMS AND INTERNAL CONTROL

December 31, 2025

Page 2 of 4

INVENTORY				
Counts for inventory of supplies for consumption had not been performed.	The amount recorded in inventory and the resulting amounts recorded in materials used (expenses) may be incorrect.	X	Prepare an inventory count sheet indicating the item description, item code, quantity on hand, cost per unit (and unit measure used) and total cost of inventory item. Prior to beginning the actual inventory count, separate the obsolete items to ensure they are not included in the count.	<i>Town will prepare a template to utilize for fiscal 2026 count and forward.</i>
PAYROLL				
Some employee files do not contain current documentation to support authorized pay rates. The rate changes in the collective agreement were not updated in employee files.	Lack of proper employee information could result in review by the Labour Standards Board or complaints to the union, if applicable.	X	Review all individual employee files to ensure all appropriate forms are completed and in place.	<i>Town will review with Human Resources and address by end of fiscal 2026.</i>
CONTRACT SERVICES				
The GL accounts for revenues regarding Water/Sewer and Waste Management are not consistent and it is not clear which GL accounts some customers should be recorded to. The words " institution" and "industrial" are added in the waste management area but do not appear in the bylaw or in the water/sewer accounts.	The water and sewage fund is a self-liquidating account and as such, there is an economic rate that should be calculated based on the consumption by the various classes of water users. The difficulty in determining the consumption of various types of customers makes it more difficult to determine the appropriate economic rate to be used.	X	We recommend that schedule C of the reporting requirements from MACA be reviewed and consider changing the GL accounts to clearly identify the types of customers/revenues by those descriptors. This would facilitate reporting and make the revenues consistent and more clearly defined.	<i>Town will review and action accordingly.</i>

TOWN OF FORT SMITH
MEMORANDUM ON ACCOUNTING SYSTEMS AND INTERNAL CONTROL

December 31, 2025

Page 3 of 4

During our examination of rates being charged, we noted customers are not billed for their water in a consistent manner. Some customers are billed for current usage, some on an average, some on estimates and some are charged a flat rate.	It is important that rates are consistently applied to customers, in accordance with the Town's bylaws.	X	We noted during fieldwork the administration's commitment and efforts to continue to address the water meter problem to be able to address this issue. We recommend that the issues relating to meter readings be resolved as soon as possible so that customers are billed based on usage.	<i>Town has acknowledged the issue and has started working on solutions.</i>
We noted there is no method of determining the total consumption of water used by the Town and no calculation of the economic rates to be charged for Water.	This contravenes the Water and Sewage contribution agreement with MACA. MACA requires a Schedule C be completed indicating economic rate, consumption, etc. regarding the Water and Sewer Fund.	X	The Town should investigate and adopt a method of determining total consumption of water. This will assist in the determination of an economic rate for water. This will also assist in controlling the usage of water as it is now impossible to determine if there is any spoilage of water or if water is being used without being invoiced etc. This is also required to complete the Schedule C as required by MACA.	<i>Town has identified it as a priority to work on, in the coming months.</i>
COMPUTER SECURITY				
There are no written policies or guidelines in place to establish day-to-day computer operating procedures. There are also no emergency back-up and recovery plans documented.	The time to make contingency plans is before disaster strikes, so that all personnel will be aware of their responsibilities in the event of an emergency situation that precludes the use of the existing computer facilities and risks loss of data.	X	Administration should develop a computer recovery plan that includes, but is not limited to, location of and access to off-site storage, and responsibilities of various personnel in an emergency.	<i>Town will review and action.</i>

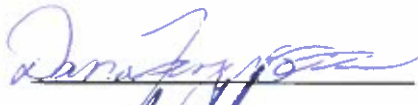
TOWN OF FORT SMITH
MEMORANDUM ON ACCOUNTING SYSTEMS AND INTERNAL CONTROL

December 31, 2025

Page 4 of 4

You indicated that there have been suspected or actual instances of outdated, overly complex, or inadequate IT hardware and infrastructure.	Risks of crashes, system downtime, increased costs, decreased productivity, and data security problems.	X	We recommend that IT systems be reviewed for appropriateness and to ensure they are up-to-date.	<i>Town will review and action.</i>
You indicated that there have been suspected or actual instances of data loss due to inadequate backup or other security procedures, such as virus protection.	Risk of inaccurate, unreliable and incomplete data. A lack of a recovery position in case of data loss.	X	We recommend that accurate, complete, reliable, and regular backups be performed and stored offsite.	<i>Town will review and action.</i>
GENERAL MATTERS				
We noted that some of the account types (balance sheet/income statement) on the chart of accounts do not agree to the audit classification.	Accounting information integrity.	,X	We recommend that chart of accounts be reviewed with the auditors to resolve the inconsistencies.	<i>Town will follow up with auditors for such review by the end of fiscal 2026.</i>

Reviewed and approved by:

Mayor  Date Sept 29, 2026

SAO  Date Sept. 29, 2026



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October 19, 2026

Town of Fort Smith
PO Box 147
174 McDougal Road
Fort Smith, NT
X0E 0P0

Ref # 2033

Attention: Mr. David Henderson

Dear Mr. Henderson:

We enclose 1 bound copy and 2 unbound copies of the financial statements of Town of Fort Smith for the year ended December 31, 2025. As requested, we have also provided you with a PDF copy.

We also enclose a copy of the management letter. As requested, we have also provided you with a PDF copy.

We have provided you with PDF copies of year end adjusting journal entries and final working trial balance for your records.

Please do not hesitate to contact us if you should require further information.

Yours truly,

AVERY COOPER & CO. LTD.

William Senfuma, CPA, CGA
Senior Manager