TOWN OF FORT SMITH
FORT SMITH, NT

ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2023

INDEX

TOWN OF FORT SMITH
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

The Town of Fort Smith is in a good financial position. The Town's total assets exceed the total liabilities, which includes the long-term debt of the arena that was established at the completion of the project in 2015 which will be paid in full December 2024. The Town has sufficient resources to meet its financial commitments in the coming year.

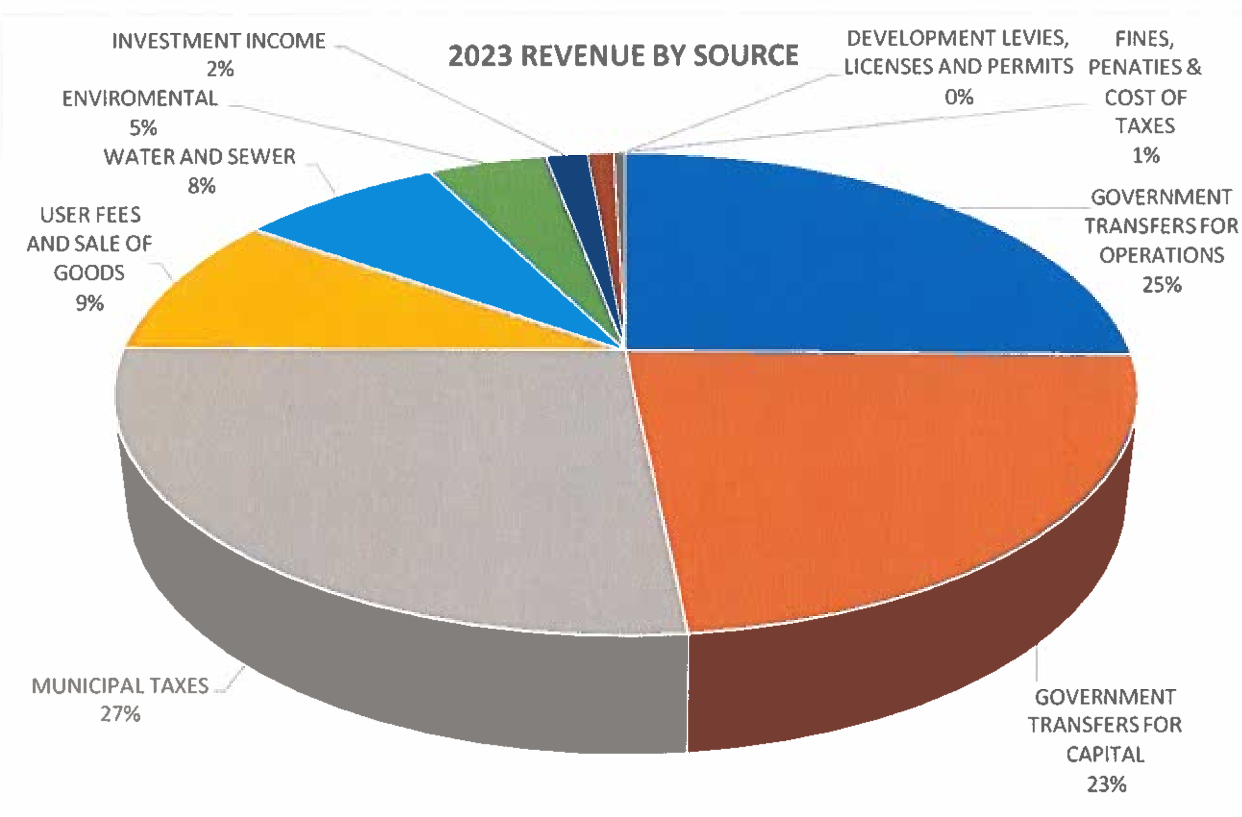
In 2023, total financial assets decreased 6% from 2022, however the Town's Tangible Capital Assets increased by 3% over the previous year. This change is a result of completing capital work started in 2022, including the competition of the retrofit of the CRC, and the completion of paving of roads, including Carl's Drive and Bell Rock areas. In 2023, the town completed $3.3 million of capital work.

Total liabilities were $1.2 million lower than in 2022. Deferred revenue increased by $154 thousand. Long-term debt decreased by $495 thousand, representing the repayment of the debenture on the arena. The debenture shall be retired by the end of 2024. Total non-financial assets grew by $1.4 million since 2022. In 2022, Administration was able to resolve a long-standing school tax issue, with a payment of $1.1 million made to the GNWT for outstanding school tax, thus reducing our liabilities.

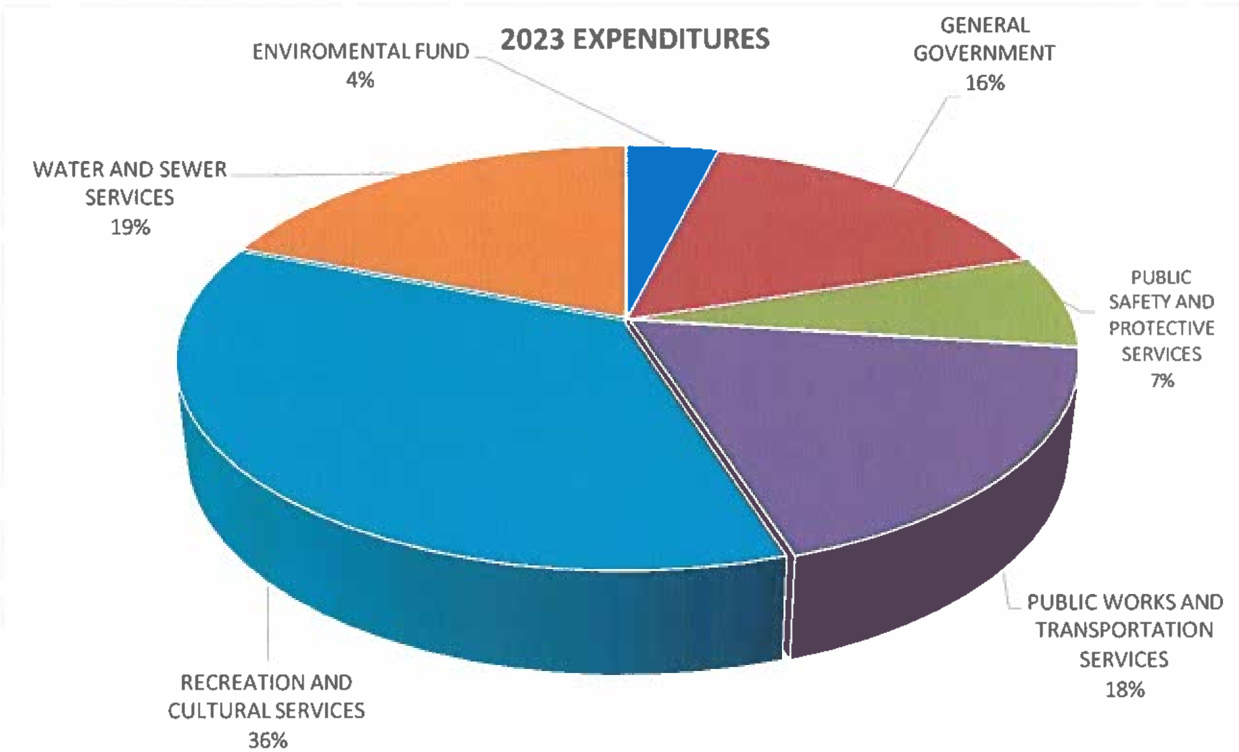
Delinquent accounts continue to be a significant concern for the town's administration. Since 2019, substantial efforts have been made to collect overdue property taxes. This has resulted in a reduction of the outstanding amount owed to the town through the conduct of yearly property tax auctions. In addition to the property taxes in arrears, a considerable number of accounts receivable have also been overdue. The community's evacuation and the wildfire in 2023 led to the delay of the delinquent property tax auction, which is now scheduled for June 27, 2024. In 2022, the council wrote off $590 thousand as uncollectable due to the age of the accounts and the statutes of limitations for collection.

Revenues decreased in 2023 from $20.4 million in 2022 to $14.2 million. This decrease was primarily due to the community's evacuation and the wildfire in 2023, which led to a delay in converting deferred revenue into actual revenue. Over 48% of the Town's revenues was derived from government transfers. Municipal tax revenues, user fees and sale of services decreased by $193 thousand from 2022. Expenses increased by $860 thousand in 2023 to just under $12.7 million. At the end of 2023, there was an operating surplus of $1.55 million.

The Town generates revenue from several diverse sources. The graph below illustrates the various income streams. Revenues from government transfers accounted for 48% of the total, with property taxes accounting for 27%. Water and sewer services contributed 8%, Environmental Services accounted for 5%, and other sources of revenue made up 12%.



The chart below illustrates the way the Town spent the funds it received. Recreation and Culture Services accounted for 36% of the expenditure, Water and Sewer Services accounted for 19%, Public Works and Transportation Services accounted for 18%, General Government accounted for 16%, Public Safety and Protective Services accounted for 7%, and Environmental Services accounted for 4%.



Capital work in 2023 led to the completion of paving in various locations across the community, including the Carl's Drive, Bell Rock, and other areas in the community. The Green House Fund from the GWNT was utilized for the installation of electric boilers. The CRC retrofit was completed. Additionally, significant progress was made with the installation and upgrade of water meters and water fill stations. This was done to gather the necessary data to meet the requirements for measuring the economic rate of water usage.

TOWN OF FORT SMITH
Post Office Box 147, Northwest Territories, X0E 0P0

Yours truly,
Town of Fort Smith

Tracy Thomas
Senior Administrative Officer

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TOWN OF FORT SMITH
Post Office Box 147, Northwest Territories, X0E 0P0

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.

Fred Daniels Mayor	August 20, 2024 Date
Tracy Thomas Senior Administrative Officer	August 20, 2024 Date

AVERY COOPER & CO. LTD.
Chartered Professional Accountants

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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, 2023 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 and other explanatory information.

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, 2023 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 the 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

August 20, 2024

TOWN OF FORT SMITH

Statement I

STATEMENT OF FINANCIAL POSITION
December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	$ 12,830,358	$ 13,756,647
Taxes and grants in lieu of taxes receivable (Note 3)	1,100,212	927,788
Trade and other accounts receivable (Note 4)	2,205,002	2,505,105
Inventory for resale - land	694,577	694,577
	16,830,149	17,884,117
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	908,009	1,936,332
Wages and benefits payable	502,065	401,707
Deposit liabilities	265,807	260,951
Deferred revenue (Note 8)	7,531,649	7,377,724
Long-term debt (Note 9)	545,334	1,040,389
Provision for post-employment benefits	557,723	556,924
Provision for landfill closure (Note 19)	1,083,386	1,032,386
	11,393,973	12,606,413
NET FINANCIAL RESOURCES (Statement III)	5,436,176	5,277,704
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	50,436,776	49,099,592
Inventory for consumption - land	417,274	417,274
Inventory of supplies	63,201	67,146
Prepaid expenses	129,764	70,241
	51,047,015	49,654,253
ACCUMULATED SURPLUS (Note 13) and (Statement II)	$ 56,483,189	$ 54,931,957

CONTINGENCIES (Note 20)

Approved:

_______________ Mayor

_______________ Senior Administrative Officer

See the accompanying notes and schedules.

TOWN OF FORT SMITH

Statement II

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
REVENUES			
Government transfers for operations (Note 14)	$ 6,980,585	$ 3,565,525	$ 3,520,508
Government transfers for capital (Note 14)	-	3,286,251	9,360,749
Net municipal taxes (Note 11)	3,901,896	3,825,754	3,665,684
User fees and sales of goods	3,358,082	3,059,157	3,412,799
Investment income	10,000	221,426	115,603
Fines, penalties and cost of taxes	160,000	141,519	263,446
Development levies, licences and permits	46,850	59,565	41,776
TOTAL REVENUES	14,457,413	14,159,197	20,380,565
EXPENSES			
General Government Services (Schedule 1a)	1,603,559	2,022,321	2,343,039
Public Safety and Protective Services (Schedule 1b)	732,236	908,698	752,555
Public Works and Transportation Services(Schedule 1c)	1,988,657	2,263,599	2,207,253
Recreation and Culture Services (Schedule 1d)	4,246,309	4,541,926	3,970,036
Water and Sewage Services (Schedule 1e)	2,300,949	2,376,930	1,934,429
Environmental Fund (Schedule 1f)	616,779	494,491	540,279
TOTAL EXPENSES (Schedule 8)	11,488,489	12,607,965	11,747,591
ANNUAL SURPLUS (DEFICIT)	2,968,924	1,551,232	8,632,974
ACCUMULATED SURPLUS, BEGINNING OF YEAR	54,931,957	54,931,957	46,298,983
ACCUMULATED SURPLUS, END OF YEAR	$ 57,900,881	$ 56,483,189	$ 54,931,957

See the accompanying notes and schedules.

TOWN OF FORT SMITH

Statement III

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
ANNUAL SURPLUS (DEFICIT)	$ 2,968,924	$ 1,551,232	$ 8,632,974
Amortization of tangible capital assets	1,463,870	1,929,652	1,654,173
Acquisition of tangible capital assets	(11,128,900)	(3,266,834)	(9,799,163)
(Increase)/Decrease in tangible capital assets	(9,665,030)	(1,337,182)	(8,144,990)
Acquisition of inventory for consumption - land	-	-	(67,142)
Consumption of inventory of supplies	-	3,945	85,872
Acquisition of prepaid expenses	-	(129,764)	(70,241)
Use of prepaid expenses	-	70,241	70,241
INCREASE IN NET FINANCIAL ASSETS	(6,696,106)	158,472	506,714
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,277,704	5,277,704	4,770,990
NET FINANCIAL ASSETS, END OF YEAR	$ (1,418,402)	$ 5,436,176	$ 5,277,704

See the accompanying notes and schedules.

TOWN OF FORT SMITH

Statement IV

STATEMENT OF CASH FLOW

For the Year Ended December 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING TRANSACTIONS		
Annual Surplus (Deficit)	$ 1,551,232	$ 8,632,974
Adjustments for non-cash items and changes in accounts:		
Accounts receivable	127,679	513,491
Liabilities (other than long-term)	384,703	(3,676,993)
Inventory of supplies	3,947	18,737
Prepaid expense	(59,523)	-
Amortization expense	1,929,652	1,654,173
Bad debts expense	272,841	439,110
Net cash from operations	4,210,531	7,581,492
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets (Note 25)	(4,641,763)	(9,620,998)
CASH FLOWS FROM FINANCING TRANSACTIONS		
Long-term debt repaid	(495,055)	(483,906)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(926,289)	(3,055,410)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,756,647	16,812,057
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 12,830,358	$ 13,756,647

See the accompanying notes and schedules.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Fort Smith (the "Town" or "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. They are also prepared in accordance with policies prescribed for municipalities by the *Cities, Towns and Villages Act* of the Northwest Territories, and by the Department of Municipal and Community Affairs, Government of the 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 (debt) 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 the Northwest Territories in the form of operating grants and capital grants. Administration is of the opinion that discontinuance of funding would significantly disrupt operations.

(b) Basis of Accounting

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

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Cash and Cash Equivalents

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

(d) Use of Estimates

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

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

(e) Land held for resale

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

(f) Landfill Closure and Post-Closure Liability

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Government Transfers

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

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

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

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

(h) Post-Employment Benefits

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

(i) Financial Assets

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

(j) Non-Financial Assets

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

(k) Leases

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(l) Inventories

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

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

(m) Tangible Capital Assets

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

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

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

(n) Contributions of Tangible Capital Assets

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

(o) Cultural and Historical Tangible Capital Assets

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(p) Reserve for Future Expenses

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

The Town maintains the following reserves:

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

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

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

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

The balance in each reserve is disclosed in Note 10.

(q) Financial Instruments

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(r) Segmented Information

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

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

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

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

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

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

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

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

NOTE 2 CASH AND CASH EQUIVALENTS

	2023	2022
Cash (Note 5)	$ 12,830,358	$ 13,756,647

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLE

	2023	2022
Taxes and grants in lieu	$ 849,372	$ 501,726
Arrears taxes	1,808,081	1,811,748
	2,657,453	2,313,474
Less: allowance for doubtful accounts	(1,557,241)	(1,385,686)
	$ 1,100,212	$ 927,788

NOTE 4 TRADE AND OTHER ACCOUNTS RECEIVABLE

	2023	2022
Municipal and Community Affairs	$ 1,632,736	$ 1,577,610
GNWT - Other departments	120,738	3,713
	1,753,474	1,581,323
Utilities	300,549	258,493
Less: allowance for doubtful accounts	(69,920)	(17,665)
	230,629	240,828
Other	371,868	805,078
Less: allowance for doubtful accounts	(150,969)	(122,124)
	220,899	682,954
	$ 2,205,002	$ 2,505,105

NOTE 5 DEPOSITS

Source	Deferred Revenue	Reserves	Total Required Deposit	Actual Bank Deposit	Overage/ (Shortfall)
Gas Tax	$ 5,611,704	$ -	$ 5,611,704	$ 5,338,106	$ (273,598)
Community Public Infrastructure	1,666,584	-	1,666,584	3,080,258	1,413,674
Reserve for General Operations	-	851,821	851,821	-	(851,821)
Service Interruption Insurance Reserve	-	307,238	307,238	307,238	-
Reserve for Utility Infrastructure Replacement	-	3,153,440	3,153,440	-	(3,153,440)
Reserve for Environmental Services	-	741,733	741,733	292,483	(449,250)
Daily operations	-	-	-	3,812,273	3,812,273
	$ 7,278,288	$ 5,054,232	$12,332,520	$12,830,358	$ 497,838

Deposits comprise:		2023	2022
Gas Tax	Current account	$ 5,338,106	$ 5,696,995
Community Public Infrastructure	Current account	3,080,258	5,608,306
Reserves	Current account	599,722	2,062,198
Daily Operations	Current account	3,812,272	389,148
		$ 12,830,358	$ 13,756,647

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 December 31, 2023, the Operating Line of Credit has a zero balance.

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable	$ 409,804	$ 88,447
Accrued liabilities	411,607	386,361
Tangible Capital Assets payable (Note 12)	86,598	1,461,524
	$ 908,009	$ 1,936,332

NOTE 8 DEFERRED REVENUE

	2023	2022
Gas Tax	$ 5,611,704	$ 5,726,326
Community Public Infrastructure	1,666,584	1,582,697
Slope Stabilization Project	-	36,701
Slope Monitoring Project	179,285	-
Branded Signage	32,000	32,000
Climate Change Adaptation Plan Project	42,075	-
	$ 7,531,649	$ 7,377,724

NOTE 9 LONG-TERM DEBT

	2023	2022
Bank of Montreal fixed rate term loan bearing interest at 2.28% per annum, repayable in monthly blended payments of $42,796. The loan matures in December 2024.	$ 545,334	$ 1,040,389

Debenture interest paid in 2023 was $18,498 (2022 - $29,647).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2024	$ 545,334	$ 7,189	$ 552,523

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 10 RESERVES

Reserves for operating and capital activities changed as follows:

Reserves	Type	2022	Increases	Decreases	2023
Reserve for General Operations	Capital	$ 726,821	$ 125,000	$ -	$ 851,821
Service Interruption Insurance Reserve	Operating	275,272	32,966	1,000	307,238
Reserve for Utility Infrastructure Replacement	Capital	3,095,440	58,000	-	3,153,440
Reserve for Environmental Services	Capital	518,640	223,093	-	741,733
		$ 4,616,173	$ 439,059	$ 1,000	$ 5,054,232

NOTE 11 NET MUNICIPAL TAXATION

	2023	2022
Taxes	$ 2,717,712	$ 2,629,321
Grants-in-lieu of taxes - GNWT	1,306,664	1,277,687
Grants-in-lieu of taxes - Government of Canada	240,914	219,043
Less: Education requisition	(439,536)	(460,367)
	$ 3,825,754	$ 3,665,684

NOTE 12 EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible Capital Assets (Schedule 1)	$ 89,400,955	$ 86,134,121
Accumulated amortization (Schedule 1)	(38,964,179)	(37,034,529)
Long-term debt (Note 9)	(545,334)	(1,040,389)
Tangible Capital Assets payable (Note 7)	(86,598)	(1,461,524)
	$ 49,804,844	$ 46,597,679

NOTE 13 ACCUMULATED SURPLUS

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

	2023	2022
Unrestricted surplus		
General Fund (Schedule 7)	$ 1,595,981	$ 3,299,563
Restricted surplus		
Utility Operating Fund	(104,936)	215,161
Environmental Operating Fund	71,270	141,733
Land Development Fund	61,798	61,648
Total Restricted surplus	28,132	418,542
Reserves		
Reserve for General Operations	851,821	726,821
Service Interruption Insurance Reserve	307,238	275,272
Reserve for Utility Infrastructure Replacement	3,153,440	3,095,440
Reserve for Environmental Services	741,733	518,640
Total Reserves	5,054,232	4,616,173
Equity in tangible capital assets	49,804,844	46,597,679
Accumulated surplus	$ 56,483,189	$ 54,931,957

TOWN OF FORT SMITH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 GOVERNMENT TRANSFERS

	2023	2022
GOVERNMENT OF CANADA TRANSFERS		
Fort Smith Slope Monitoring 2022-2026	$ 18,969	$ -
CWWF - Water Infrastructure Replacement	-	427,394
Small Communities Fund	-	437,767
	18,969	865,161
GOVERNMENT OF THE NORTHWEST TERRITORIES TRANSFERS		
Operational funding:		
- Operations and Maintenance	2,263,000	2,190,000
- Water and Sewage	606,000	606,000
	2,869,000	2,796,000
Repayable Contributions:		
- Sport and Recreation	24,000	24,000
- Youth Centre Initiative	19,286	13,889
- Industry, Tourism and Investment	8,290	21,192
- ECE - After 4 Program	-	15,545
- ECE - Library	55,000	63,506
- Low Carbon Economy Fund	285,643	37,125
- Ground Ambulance and Highway Rescue Services	52,064	37,000
- Wastewater Testing Support	47,000	-
- Children and Youth Resiliency	13,636	13,636
- ECE - Small Community Support Program	-	215,000
- Investing in Canada Infrastructure Program	-	3,469,912
- Canadian Agricultural Partnership - Mission Park	2,000	8,000
- Community Tourism Infrastructure Contribution	46,497	33,626
- ECE Childcare Program grants	402,380	211,835
- Community Tourism Coordinator	50,000	-
- Other Grants	3,900	84,908
- Climate Change Adaptation Plan	-	15,997
	1,009,696	4,265,171

Other Restricted Funding:	2023	2022
- Gas Tax	1,014,000	963,000
- Community Public Infrastructure	1,446,000	1,446,000

NOTE 14 GOVERNMENT TRANSFERS, continued

	2,460,000	2,409,000
- Interest earned	498,862	241,061
- Transfers from (to) Deferred Revenue	(4,751)	2,304,864
	2,954,111	4,954,925
	$ 6,851,776	$ 12,881,257

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.

Total insurance expense for the year of $242,422 (2022 - $215,691) is allocated to General Government, Public Safety and Protective, Public Works and Transportation, Recreation and Culture, Water and Sewer Services and Environmental Services at $7,167, $16,369, $29,025, $109,012, $80,544, $305 respectively. Administration wages and benefits expense totaling $506,986 (2022 - $312,248) is allocated to the Utility Fund and Environmental Fund at $430,938 and $76,048 respectively.

NOTE 16 UNALLOCATED AMOUNTS

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

	2023	2022
Municipal and Community Affairs - Operations and Maintenance	$ 2,263,000	$ 2,190,000

NOTE 17 MUNICIPAL PENSION PLAN

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

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

		2023		2022
Employers' contribution	$	255,491	$	227,365
Employees' contribution		255,491		227,365
	$	510,982	$	454,730

Participating employers in the Plan, including the Town are required to make contributions to the plan of 8% (2022 - $8%) of pensionable earnings, and to remit employee contributions of 8% (2022 - 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, 2023, the NEBS Pension Plan has a preliminary going concern surplus of $81,300,000 (2022 - $65,900,000) and a funded ratio of 127.0% (2022 - 124.0%). The Plan serves 3789 employee members and 117 participating employers.

NOTE 18 COMMITMENTS

In the course of normal operations the Town has entered into a multi-year equipment lease. The remaining repayment for this contract is as follows:

2024	27,357

NOTE 19 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 2022. 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 (2022 - $51,000).

NOTE 20 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.

The Northern Employee Benefits Services Pension Plan is currently in a solvency deficiency position. 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, 2023.

The Town sued a taxpaper for unpaid municipal services of $900,000. It is the opinion of management that the taxpayer has agreed to pay although the amount expected to be received is unknown as at December 31, 2023.

NOTE 21 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 22 BUDGET

The budget information presented in these financial statements was adopted by Council on December 20, 2022 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.

	2023
Approved Budget:	
Revenue: Approved budget	$ 15,500,411
Expenses: Approved budget	(15,262,419)
Adjustments:	
Tangible Capital Assets	11,128,900
Capital expenses	(11,128,900)
Transfers between Funds	2,236,003
Debenture Principal	494,929
Annual Surplus (Deficit)	$ 2,968,924

NOTE 23 CAPITAL BUDGET

	2023
Capital Budget as Approved	$ 11,128,900
Tangible Capital Asset Acquisitions (Statement III)	$ 11,128,900

NOTE 24 CONTRACTUAL RIGHTS

At December 31, 2023, the Municipality has entered into the following contribution agreements with the Government of Canada and GNWT:

Project	Term/conditions
Investing in Canada Infrastructure Program - Conibear Project	The GNWT will pay an amount not exceeding $365,625. The Federal sources shall not exceed 75% of the total eligible expenditures. The agreement expires September 1, 2027.
Slope Monitoring 2022-2026	Funding from Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC). The agreement expires March 31, 2026.
Conibear Park & Cultural Site	Funding from Canadian Northern Economic Development Agency (CanNor). The agreement expires March 31, 2025.
Canada's Low Carbon Economy Leadership Fund	The GNWT will pay an amount not exceeding $360,000. The Federal sources shall not exceed 75% of the total eligible expenditures. The agreement expires March 31, 2024.
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.

Future maximum contributions remaining under these agreements are as follows:

	ICIP Conibear	Low Carbon Economy	ICIP Landfill	ICIP - Riverside Park	CIRNAC - Slope Monitoring	CanNor - Conbear Park	Total
2024	$ -	$ 36,638	$ -	$ -	$ 87,500	$ 50,000	$ 174,138
2025	-	-	-	-	109,000	350,000	459,000
2026	-	-	-	-	1,000	-	1,000
2027	283,422	-	1,056,125	985,000	-	-	2,324,547
	$ 283,422	$ 36,638	$ 1,056,125	$ 985,000	$ 197,500	$ 400,000	$ 2,958,685

NOTE 25 SUPPLEMENTAL CASH FLOW INFORMATION

During the year, the Town acquired Tangible Capital Assets totaling $3,266,834 (2022 - $9,799,165) of which $86,598 (2022 - $1,461,524) is included in Accounts Payable and Accruals, and $3,180,236 (2022 - $8,337,641) is paid cash. Accordingly, non-cash capital transactions are excluded from the Statement of Cash Flow.

NOTE 26 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 rates 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 December 31, 2023

	Land	Buildings, Improvements & Structures	Waste Management Facilities Infrastructure	Parks Infrastructure	Roads	IT and Other Infrastructure	Vehicles	Assets Under Construction	2023	2022
Cost:										
Balance, opening	$ 3,520,600	$ 38,873,883	$ 6,073,750	$ 2,264,487	$ 16,896,953	$ 7,970,110	$ 5,897,898	$ 4,636,440	$ 86,134,121	$ 76,415,606
Acquisition of tangible capital assets	-	4,800,955	-	9,624	638,981	25,534	524,795	(2,733,055)	3,266,834	9,799,163
Disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	(80,648)
Balance, closing	3,520,600	43,674,838	6,073,750	2,274,111	17,535,934	7,995,644	6,422,693	1,903,385	89,400,955	86,134,121
Accumulated amortization:										
Balance, opening	-	21,021,193	6,516,114	998,208	4,254,716	894,984	3,349,314	-	37,034,529	35,461,004
Annual amortization	-	796,099	70,034	53,088	481,245	162,433	366,753	-	1,929,652	1,654,173
Reallocation	-	-	(2,261,398)	-	2,261,398	-	-	-	-	-
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	(80,648)
Balance, closing	-	21,817,292	4,324,749	1,051,296	6,997,358	1,057,417	3,716,067	-	38,964,179	37,034,529
Net book value	$ 3,520,600	$ 21,857,546	$ 1,749,001	$ 1,222,815	$ 10,538,576	$ 6,938,227	$ 2,706,626	$ 1,903,385	$ 50,436,776	$ 49,099,592

TOWN OF FORT SMITH

Schedule 1a

SCHEDULE OF REVENUE AND EXPENSES, GENERAL GOVERNMENT SERVICES

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
REVENUES			
Net Municipal taxes	$ 3,901,896	$ 3,825,754	$ 3,665,684
Government transfers	5,628,000	5,549,251	11,932,845
Investment income	10,000	221,426	115,603
Fines, penalties and cost of taxes	160,000	141,519	263,446
Development levies, licences and permits	46,850	59,565	41,776
	9,746,746	9,797,515	16,019,354
EXPENSES			
Council Honoraria	164,560	165,608	163,203
Council Travel	13,500	7,028	13,731
Council Materials	19,500	30,688	37,239
Salaries and Benefits	628,597	607,148	795,873
Recruitment/Removal Expense	-	27,202	-
Contracted costs	-	78,990	322
Bank and Interest Charges	30,000	47,654	31,191
Audit and Legal Fees	105,000	208,834	188,752
Freight	5,000	9,888	9,943
Insurance	7,500	7,166	8,257
Materials and Supplies	30,500	27,681	38,499
Business Travel and Expense	-	260	-
NWTAM Membership Fees	8,500	9,075	10,089
Advertising	37,350	45,320	12,492
Grants to Community Groups	35,000	-	35,000
Computer Hardware & Software	62,550	69,737	78,802
Equipment Purchase & Rental	18,000	11,803	8,914
Communications	21,000	28,229	28,645
Admin. Buildings Fuel	19,964	12,717	12,951
Admin. Buildings Electricity	15,828	10,669	11,759
Admin. Buildings Municipal Services	1,840	5,226	3,957
Admin. Buildings O & M	8,000	3,428	9,839
Equipment O & M	6,500	1,722	10,017
Miscellaneous	4,000	40,495	18,508
Staff Training	65,000	64,182	85,694
Bad Debts	15,000	272,841	440,873
Election Costs	20,000	-	10,410
Tax Relief Program	189,246	181,115	222,885
Interest on Long-term Debt	18,624	18,498	29,647
Amortization	53,000	29,117	25,547
Total Expenses	1,603,559	2,022,321	2,343,039
Excess (deficiency) of Revenue over Expenses	$ 8,143,187	$ 7,775,194	$ 13,676,315

TOWN OF FORT SMITH

Schedule 1b

SCHEDULE OF EXPENSES, PUBLIC SAFETY AND PROTECTIVE SERVICES

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
EXPENSES			
Salaries and Benefits	$ 411,000	$ 496,487	$ 378,497
Materials and Supplies	122,350	131,234	105,259
Highway Rescue	37,000	30,104	36,841
Communications	17,300	19,763	20,235
Heating (Fire Hall)	15,116	13,915	22,698
Electricity (Fire Hall)	13,809	12,586	10,865
Water and Sewage	2,511	6,298	5,930
Vehicle Fuel	8,850	11,482	7,185
Equipment - O & M	3,000	569	3,436
General Insurance	15,300	16,369	15,420
Amortization	86,000	169,891	146,189
Total Expenses	$ 732,236	$ 908,698	$ 752,555

TOWN OF FORT SMITH

Schedule 1c

SCHEDULE OF EXPENSES, PUBLIC WORKS AND TRANSPORTATION SERVICES

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
EXPENSES			
Salaries and Benefits	$ 1,107,847	$ 1,294,617	$ 1,123,414
Materials and Supplies	150,250	74,087	105,826
Communication	9,500	8,537	8,451
Street Lighting	59,383	25,324	41,048
Heating Fuel	44,206	44,473	47,802
Electricity	14,047	13,786	11,388
Building - O & M	11,000	3,329	37,210
Water and Sewage	4,498	5,710	5,929
Equipment Repairs and Maintenance	43,200	49,744	192,628
Equipment - Fuel	82,726	90,036	84,726
Miscellaneous	20,000	2,312	2,520
Insurance	22,000	29,025	23,882
Equipment Lease	50,000	34,701	37,898
Recovery from Other Funds	(80,000)	(80,000)	(80,000)
Amortization	450,000	667,918	564,531
Total Expenses	$ 1,988,657	$ 2,263,599	$ 2,207,253

TOWN OF FORT SMITH

Schedule 1d

SCHEDULE OF REVENUE AND EXPENSES, RECREATION AND CULTURE SERVICES

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
REVENUES			
User fees and sales of goods	$ 1,370,092	$ 1,317,782	$ 1,232,199
Other Gov't transfers	776,585	696,525	342,411
Total Revenues	2,146,677	2,014,307	1,574,610
EXPENSES			
Salaries and Benefits	2,612,504	2,610,498	2,207,698
Insurance	88,000	109,012	98,608
Materials and Supplies	178,205	148,596	155,492
Travel	1,000	1,074	-
Special Event Days	48,636	79,615	84,109
Advertising	37,100	57,248	37,779
Communications	22,200	25,734	23,260
Building Heating Fuel	280,410	277,145	230,814
Electricity	298,677	327,035	276,641
Water and Sewage	5,877	8,997	8,399
Building Repairs and Maintenance	97,700	68,926	46,818
Miscellaneous	15,300	48,833	32,350
Grants to Groups	-	-	10,000
Equipment Repairs and Maintenance	56,950	189,409	70,942
SCES Program Expenses	182,750	-	182,906
Amortization	321,000	589,804	504,220
Total Expenses	4,246,309	4,541,926	3,970,036
Excess (deficiency) of Revenue over Expenses	$ (2,099,632)	$ (2,527,619)	$ (2,395,426)

TOWN OF FORT SMITH

Schedule 1e

SCHEDULE OF REVENUE AND EXPENSES, WATER AND SEWER SERVICES

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
REVENUES			
GNWT - Transfers	$ 576,000	$ 606,000	$ 606,000
Private	1,226,822	1,061,770	1,356,618
W/S Interruption	-	-	41,179
Other	6,124	36,372	11,112
Total Revenues	1,808,946	1,704,142	2,014,909
EXPENSES			
Salaries and Benefits	566,303	547,023	481,781
Vehicle Repairs and Maintenance	52,216	48,049	48,961
Insurance	60,000	80,544	66,787
Buildings Operations and Maintenance	8,664	6,348	13,991
Electricity	77,451	62,267	49,895
Sewage Pumpouts	11,600	7,635	11,899
Sewage Lagoon	21,916	21,916	21,811
Materials and Supplies	16,550	7,982	13,267
Staff Training	10,000	417	7,692
Bad Debts (Recoveries)	-	-	(1,763)
Contract Services	26,000	-	17,083
Water Delivery	112,897	242,040	82,350
Miscellaneous	8,500	4,183	-
Water treatment plant operations and maintenance	323,044	385,449	382,364
Allocations from Other Funds	493,938	493,938	328,411
Amortization	511,870	469,139	409,898
Total Expenses	2,300,949	2,376,930	1,934,427
Excess (deficiency) of Revenue over Expenses	$ (492,003)	$ (672,788)	$ 80,482

TOWN OF FORT SMITH

Schedule 1f

SCHEDULE OF REVENUE AND EXPENSES, ENVIRONMENTAL OPERATING FUND

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
REVENUES			
Levies	$ 755,044	$ 643,083	$ 770,791
Total Revenues	755,044	643,083	770,791
EXPENSES			
Salaries and benefits	324,558	280,389	277,761
General insurance	3,000	305	2,737
Material, goods and supplies	63,173	54,539	28,626
Contract services	40,000	11,425	112,534
Provision for landfill closure	51,000	51,000	51,000
Allocations from Other Funds	93,048	93,048	63,837
Amortization	42,000	3,785	3,785
Total Expenses	616,779	494,491	540,280
Excess (deficiency) of Revenue over Expenses	$ 138,265	$ 148,592	$ 230,511

TOWN OF FORT SMITH

Schedule 1g

SCHEDULE OF REVENUE AND EXPENSES, LAND DEVELOPMENT FUND

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
REVENUES			
Lot leases- standard leases	$ -	$ 150	$ 900
Total Revenues	-	150	900
EXPENSES			
Excess (deficiency) of Revenue over Expenses	$ -	$ 150	$ 900

TOWN OF FORT SMITH

Schedule 2

GAS TAX EXPENDITURE REPORT

For the Year Ended December 31, 2023

	2005 - 2019	2020	2021	2022	2023	Total
Funding						
Opening balance	$ -	$ 2,282,690	$ 3,559,276	$ 5,216,823	$ 5,726,326	$ -
Annual Gas Tax Allocation	10,032,595	1,369,500	1,876,000	963,000	1,014,000	15,255,095
Interest earned	120,502	31,530	20,815	105,404	275,874	554,125
	10,153,097	3,683,720	5,456,091	6,285,227	7,016,200	15,809,220
Eligible Project Category Expenses						
Capacity building - staff training	54,468	-	-	-	-	54,468
Landfill site improvements						
- site upgrades	90,972	-	-	20,551	-	111,523
- groundwater monitoring system	18,609	-	-	-	-	18,609
GIS equipment and software	24,714	-	-	-	-	24,714
Water/Sewer system expenses	305,053	-	-	-	-	305,053
ICSP Plan / Consultant	200,795	-	-	-	-	200,795
Water and Sewer System Upgrades	709,734	-	-	531,996	351,015	1,592,745
Paving program	2,958,329	-	-	-	-	2,958,329
Lift stations	259,875	15,100	-	-	-	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	-	-	-	-	47,378
Excavated Landfill Site	29,989	-	-	-	-	29,989
Sidewalks	123,008	-	-	1,650	-	124,658
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	327,144

TOWN OF FORT SMITH

Schedule 2

GAS TAX EXPENDITURE REPORT - continued
For the Year Ended December 31, 2023

	2005 - 2019	2020	2021	2022	2023	Total
Drainage	89,484	-	17,867	10,140	(17,867)	99,624
Engineering Services	8,105	2,143	-	-	-	10,248
W & S Infrastructure Replacement	660,522	(173,106)	154,598	(253,876)	-	388,138
Vacuum Truck Replacement	440	187,360	-	-	-	187,800
Westgrove Paving	181,944	-	-	-	-	181,944
Waste Reduction Initiative	23,974	-	-	-	-	23,974
Water Treatment Plant Heating System	20,614	-	17,203	-	(8,330)	29,487
Utility Infrastructure	-	6,980	-	-	-	6,980
Environmental Studies	36,621	3,862	12,739	-	(16,601)	36,621
Tools Van	-	-	36,111	-	(36,111)	-
Sewage Lagoon Desludge	-	-	-	71,565	7,587	79,152
Water Truck Fill Station	-	-	-	38,500	25,533	64,033
Main Lift station upgrade	-	-	-	40,775	387,681	428,456
Completion of Road Paving	-	-	-	-	638,982	638,982
Energy Upgrades	-	-	750	-	(750)	-
Paving Overlay	197,050	-	-	-	-	197,050
Sewer Flusher	142,500	-	-	-	-	142,500
	7,870,407	124,444	239,268	558,901	1,404,496	10,197,516
Transfer to Deferred Revenue	$ 2,282,690	$ 3,559,276	$ 5,216,823	$ 5,726,326	$ 5,611,704	$ 5,611,704

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE FUND

For the Year Ended December 31, 2023

	2008 - 2019	2020	2021	2022	2023	Total
Funding						
Opening balance	$ -	$ 4,153,448	$ 4,521,214	$ 4,672,071	$ 1,582,697	$ -
Annual CPI Allocation	13,505,320	1,251,000	1,827,000	1,446,000	1,446,000	19,475,320
Interest earned	192,508	50,648	27,686	135,657	222,988	629,487
	13,697,828	5,455,096	6,375,900	6,253,728	3,251,685	20,104,807
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	201,390	6,020	-	-	-	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	12,036	7,434	-	-	-	19,470
Track and field project	315,865	-	-	-	-	315,865
Library	41,983	-	-	-	-	41,983
Bobcats	27,674	24,313	15,167	16,454	-	83,608
Community Services master plan	8,327	34,832	-	-	-	43,159
Sidewalks and trails	15,215	-	-	-	-	15,215
Minor - under $10,000	35,434	189	-	-	-	35,623
RCC Front Doors	72,320	-	-	-	-	72,320
General Plan & Zoning Bylaw Reviews	62,132	-	-	-	-	62,132
Garbage Compactor	184,325	-	-	-	-	184,325
Community Centre - Air Handling	200,000	-	-	-	-	200,000

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE FUND - continued
For the Year Ended December 31, 2023

	2008 - 2019	2020	2021	2022	2023	Total
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	111,307	-	346,431	80,914	-	538,652
Website Development	38,648	-	-	-	-	38,648
Arena Renovation Project	2,330,830	-	-	-	-	2,330,830
Grader Upgrades	-	-	60,662	-	-	60,662
Fire Abatement	71,522	-	-	10,214	15,097	96,833
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	48,541	1,257	17,258	5,914	10,263	83,233
W & S Infrastructure Replacement	315,896	713,201	390,761	341,458	-	1,761,316
RCC Electronic Sign	30,008	-	-	-	-	30,008
RCC Master Plan	22,841	-	-	-	-	22,841
Landfill	79,039	-	-	-	384,414	463,453
Garbage Bins	20,550	-	-	-	-	20,550
Snowboard Park	49,050	-	-	-	-	49,050
Downtown Development	39,166	20,963	79,129	26,885	-	166,143
Recreation Centre	120,110	100,498	499,357	-	-	719,965
Pool Retrofit	-	-	-	-	84,885	84,885
Curling Plant Upgrade	-	-	-	-	208,250	208,250
Communication Equipment/Danmax	-	-	3,160	-	-	3,160

TOWN OF FORT SMITH

Schedule 3

COMMUNITY PUBLIC INFRASTRUCTURE FUND - continued

For the Year Ended December 31, 2023

	2008 - 2019	2020	2021	2022	2023	Total
Fire Hydrant/Precision	-	-	14,751	-	64,941	79,692
Vehicles - Fleet	154,476	-	-	-	-	154,476
Flat Deck Truck	-	-	80,587	-	-	80,587
IT Upgrade Plan	-	-	-	8,758	26,598	35,356
Energy Plan Update	-	-	-	12,375	95,965	108,340
Transportation Master Plan	-	-	-	74,051	-	74,051
Communication Equipment (evergreening)	-	-	-	46,761	-	46,761
Recreation Program Equipment	-	-	-	9,920	9,624	19,544
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	-	-	-	27,565	-	27,565
RCC Power Backup	-	-	-	14,740	7,370	22,110
CRC Renovations	-	-	-	708,799	454,765	1,163,564
Conibear Park Development	-	-	-	33,341	745	34,086
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
Skid Replacement Program	-	-	-	-	33,889	33,889
Engineering Services	-	-	-	23,773	1,671	25,444
Hazardous Cleanup at the Dump	-	-	-	170,124	-	170,124
Human Resources Projects	-	-	-	22,450	12,864	35,314
Boat Launch Upgrade	-	-	-	6,000	-	6,000
Corporate Services Software	-	-	-	-	15,500	15,500
	36,056	12,890	-	-	-	48,946
	9,544,380	933,882	1,703,829	4,671,031	1,585,101	18,438,223
Transfer to Deferred Revenue	$ 4,153,448	$ 4,521,214	$ 4,672,071	$ 1,582,697	$ 1,666,584	$ 1,666,584

TOWN OF FORT SMITH

Schedule 4

CLEAN WATER AND WASTEWATER FUND
For the Year Ended December 31, 2023

	2019	2020	2021	2022	2023	Total
Funding						
Annual CWWF Allocation	$ 771,851	$ 1,367,751	$ 1,172,673	$ 427,394	$ -	$ 3,739,669
Expenses						
W & S Infrastructure Replacement	771,851	1,367,751	1,172,673	427,394	-	3,739,669
	$ -	$ -	$ -	$ -	$ -	$ -

TOWN OF FORT SMITH

Schedule 5

INVESTING IN CANADA INFRASTRUCTURE PROGRAM

For the Year Ended December 31, 2023

	2022	2023	Total
Funding			
Annual ICIP Allocation	$ 3,469,912	$ -	$ 3,469,912
Expenses			
Road Upgrades	3,387,709	-	3,387,709
Conibear Park	82,203	-	82,203
	3,469,912	-	3,469,912
	$ -	$ -	$ -

TOWN OF FORT SMITH

Schedule 6

SMALL COMMUNITIES FUND
For the Year Ended December 31, 2023

	2020	2021	2022	2023	Total
Funding					
Annual SCF Allocation	$ 301,493	$ 1,739,740	$ 437,767	$ -	$ 2,479,000
	301,493	1,739,740	437,767	-	2,479,000
Expenses					
Recreation Centre	301,493	1,739,740	437,767	-	2,479,000
	$ -	$ -	$ -	$ -	$ -

TOWN OF FORT SMITH

Schedule 7

CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

	General Fund	Utility Operating Fund	Environmental Operating Fund	Land Development Fund	Equity in Tangible Capital Assets	Reserve Fund	2023	2022
Annual Surplus (Deficit)	$ 2,075,278	$ (672,788)	$ 148,592	$ 150	$ -	$ -	$ 1,551,232	$ 8,632,973
Net Interfund Transfers								
(To) from Water and Sewer Fund	26,482	(26,482)	-	-	-	-	-	-
(To) from Environmental Fund	(253)	-	253	-	-	-	-	-
(To) from Capital Fund:								
Purchases	(3,266,834)	-	-	-	3,266,834	-	-	-
Amortization	1,456,730	469,139	3,785	-	(1,929,654)	-	-	-
Debt repayment	(495,055)	-	-	-	495,055	-	-	-
TCA payable	(1,374,930)	-	-	-	1,374,930	-	-	-
(To) from Reserve Funds	(125,000)	(89,966)	(223,093)	-	-	438,059	-	-
Change in fund balance	(1,703,582)	(320,097)	(70,463)	150	3,207,165	438,059	1,551,232	8,632,973
Fund balance, beginning of year	3,299,563	215,161	141,733	61,648	46,597,679	4,616,173	54,931,957	-
Fund balance, end of year	$ 1,595,981	$ (104,936)	$ 71,270	$ 61,798	$ 49,804,844	$ 5,054,232	$ 56,483,189	$ 8,632,973

RESERVES CONSIST OF:	2022	Increases	Decreases	2023
Reserve for General Operations	$ 726,821	$ 125,000	$ -	$ 851,821
Service Interruption Insurance Reserve	275,272	32,966	1,000	307,238
Reserve for Utility Infrastructure Replacement	3,095,440	58,000	-	3,153,440
Reserve for Environmental Services	518,640	223,093	-	741,733
	$ 4,616,173	$ 439,059	$ 1,000	$ 5,054,232

GENERAL FUND CONSISTS OF:	2023	2022
Unfunded expenses to be funded from future revenues:		
Provision for landfill closure	$ (1,083,386)	$ (1,032,386)
Provision for post-employment benefits	(557,723)	(556,924)
Unrestricted surplus	3,237,090	4,888,873
	$ 1,595,981	$ 3,299,563

TOWN OF FORT SMITH

Schedule 8

EXPENSES BY OBJECT

For the Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
Advertising	$ 79,450	$ 104,836	$ 53,992
Audit and Legal Fees	105,000	208,834	188,752
Amortization	1,463,870	1,929,654	1,654,170
Bad Debts (Recovery)	15,000	272,841	439,110
Bank and Interest Charges	30,000	47,654	31,191
Building O & M	130,900	88,547	130,022
Buildings Electricity	481,693	472,436	412,609
Buildings Fuel	520,046	555,613	519,797
Business Travel and Expense	1,000	1,334	-
Communications	79,200	93,139	90,891
Contracted Services	66,000	90,415	129,939
Council Honoraria	164,560	165,608	163,203
Council Materials	19,500	30,688	37,239
Computer Hardware & Software	62,550	69,737	78,802
Election costs	20,000	-	10,410
Equipment Purchase & Rental	68,000	46,504	46,812
Freight	11,500	14,638	15,597
Grants to Groups	35,000	-	35,000
Insurance	195,800	242,421	215,691
Landfill closure	51,000	51,000	51,000
Material and Supplies	482,855	382,122	410,884
Council Travel	13,500	7,028	13,731
Miscellaneous	39,300	91,640	53,378
Other Expenditures	656,971	475,624	703,783
Removal Expense	-	27,202	-
Salaries and Benefits	5,744,906	6,039,793	5,318,504
Staff Training	77,000	64,599	93,386
Subscriptions and Memberships	8,500	9,075	10,089
Vehicle Fuel	125,256	142,859	138,762
Vehicle O & M	217,966	348,654	364,287
Water and Sewage	522,166	533,470	336,560
Total Expenses	$ 11,488,489	$ 12,607,965	$ 11,747,591

TOWN OF FORT SMITH

Schedule 9

SALARIES, HONORARIA AND TRAVEL PAID TO MAYOR AND COUNCIL

For the Year Ended December 31, 2023

Position	Salary	Honoraria	Travel	Total
Mayor Daniels	$ 66,650	$ -	$ 48	$ 66,698
Councillor Couvrette	6,000	3,900	-	9,900
Councillor Pischinger	6,000	3,800	-	9,800
Councillor Campbell	6,000	3,500	-	9,500
Councillor Jackson	14,100	3,500	-	17,600
Councillor Korol	6,250	3,600	3,410	13,260
Councillor Beaulieu	6,000	3,700	-	9,700
Councillor Macdonald	8,250	3,000	3,316	14,566
Councillor Tuckey	6,000	3,900	-	9,900
	$ 125,250	$ 28,900	$ 6,774	$ 160,924