



CAPE BRETON
REGIONAL MUNICIPALITY

Annual Financial Report

Year Ended March 31, 2023

Cape Breton Regional Municipality

Year ended March 31, 2023

CAPITAL HIGHLIGHTS

- \$47.9m in Capital Project work
 - \$43.9m – Municipal
 - Wastewater treatment plants
 - Underground infrastructure
 - Roads and sidewalks
 - Parks, Trails, Arenas
 - Fire apparatus
 - Transit & Fleet
 - \$4.0m - Water

POLICY/PLANNING HIGHLIGHTS

- CBRM Forward
- Transit study ongoing
- ★ Asset Retirement Obligation Standard Implementation

OPERATING HIGHLIGHTS

- FIONA!!! (estimated \$7.2M in damages to Mar 31/23)
- INFLATION!!!
- Deed Transfer Tax
- Tax sale recoveries
- Ratification of CUPE 933 Collective Agreement
- First ever CBRM operating deficit

OPERATING RESULTS

- CBRM Operating Fund Deficit (\$715k)
- Water Utility Operating Fund Surplus \$533k

Cape Breton Regional Municipality

Asset Retirement Obligations (PS-3280)

Year ended March 31, 2023

ARO Assets		ARO Liabilities	
■ Buildings (27)	\$ 687,107	■ Buildings (34)	\$ 1,337,619
■ Wharves (1)	\$ 127,963	■ Wharves (2)	\$ 4,390,085
■ Refrigerants (3)	\$ 12,620	■ Refrigerants (3)	\$ 13,792
■ Fuel Tanks (9)	\$ 81,569	■ Fuel Tanks (9)	\$ 169,664
■ Landfill Post-Closure Monitoring	\$ 4,806,239	■ Landfill Closure Obligations (7)	\$30,618,459
		■ Landfill Post-Closure Monitoring	\$ 4,756,500
CBRM Total	\$ 5,715,497	CBRM Total	\$41,286,119
Water Tanks (6)	\$ 114,525	Water Tanks (6)	\$ 144,749



CAPE BRETON
REGIONAL MUNICIPALITY

Agenda page
references noted for
Audited F/S
• Schedules

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CBRM

Operating, Capital and Reserve Funds

Year Ended March 31, 2023

Cape Breton Regional Municipality

Schedule of Operating Fund (Council)

Column1	Actuals 2022-23	Budget 2022-23	Column4 Variance
Revenue			
Total Taxes	\$ 119,087,257	\$ 117,421,345	\$ 1,665,912
Total Federal Government	3,039,478	3,083,539	(44,061)
Total Federal Government Agencies	730,415	726,854	3,561
Total Provincial Government	2,060,694	2,007,810	52,884
Total Provincial Government Agencies	3,565,465	3,386,739	178,726
Total Services to Other Local Government	1,266,723	979,909	286,814
Total Transit	2,109,901	2,100,000	9,901
Total Environmental Development Services	336,822	250,500	86,322
Total Licenses & Permits	137,494	151,000	(13,506)
Total Fines & Fees	725,755	862,422	(136,667)
Total Rentals	582,077	586,177	(4,100)
Total Concessions & Franchises	944,789	702,000	242,789
Total Interest	2,358,575	1,515,000	843,575
Total Finance Revenue	42,760	30,000	12,760
Total Solid Waste Revenue	2,849,716	2,825,000	24,716
Total Recreation & Cultural Service Programs	1,041,179	1,118,500	(77,321)
Total Water Utility Charges	4,951,510	4,951,510	(0)
Total Unconditional Transfers	15,851,979	15,835,838	16,141
Total Conditional Transfers	3,536,576	3,689,842	(153,266)
Total Extraordinary Revenue (Disaster Recovery)	6,213,342	-	6,213,342
Total Revenue	\$ 171,432,506	\$ 162,223,985	\$ 9,208,521
	Actuals 2022-23	Budget 2022-23	Variance
Expenditures			
Legislative	\$ 1,549,222	\$ 1,611,016	\$ 61,794
Administration	482,881	481,819	(1,062)
Finance	3,158,645	3,413,905	255,260
Legal	2,246,639	2,353,597	106,958
Human Resources	1,298,647	1,393,597	94,950
Technology & Communications	3,790,288	3,984,042	193,754
Municipal Clerk	517,716	571,000	53,284
Fiscal Services	31,681,253	32,363,405	682,152
Police Services	27,039,973	27,870,130	830,157
Fire Services (Incl EMO)	19,332,562	18,642,740	(689,822)
Engineering & Public Works	64,057,801	52,927,051	(11,130,750)
Planning	3,066,468	3,560,909	494,441
Facilities: Centre 200 & Arenas	4,193,882	3,496,797	(697,085)
Parks & Grounds	3,459,569	3,210,874	(248,695)
Buildings	3,648,953	3,489,843	(159,110)
Recreation	2,623,317	2,853,260	229,943
Total Expenditures	\$ 172,147,817	\$ 162,223,985	\$ (9,923,832)
Surplus / (Deficit) (FRAM)	\$ (715,310)		

Revenues

Exceeded Budget
\$9,208,521*

\$2,995,180
excluding Fiona recovery

Tax Revenue	2022/23 Actuals	2022/23 Budget	Variance
Taxes on Assessment			
Residential Tax	79,893,619	79,368,998	524,621
Commercial Tax	30,252,791	30,364,802	(112,011)
Resource Tax	1,497,338	1,499,795	(2,457)
Commercial Area Rates (Fire/Sewer-Bylaw)	1,506,680	1,506,680	-
Total Taxes on Assessment	113,150,428	112,740,275	410,153
Bell	437,392	461,000	(23,608)
Wind Turbine	220,070	220,070	-
Deed Transfer Tax	5,279,367	4,000,000	1,279,367
Total Tax Revenue	119,087,257	117,421,345	1,665,912

• Deed Transfer Tax
\$1.3m!

Column1	Actuals	Budget	Column4
	2022-23	2022-23	Variance
Revenue			
Total Taxes	\$ 119,087,257	\$ 117,421,345	\$ 1,665,912
Total Federal Government	3,039,478	3,083,539	(44,061)
Total Federal Government Agencies	730,415	726,854	3,561
Total Provincial Government	2,060,694	2,007,810	52,884
Total Provincial Government Agencies	3,565,465	3,386,739	178,726
Total Services to Other Local Government	1,266,723	979,909	286,814
Total Transit	2,109,901	2,100,000	9,901
Total Environmental Development Services	336,822	250,500	86,322
Total Licenses & Permits	137,494	151,000	(13,506)
Total Fines & Fees	725,755	862,422	(136,667)
Total Rentals	582,077	586,177	(4,100)
Total Concessions & Franchises	944,789	702,000	242,789
Total Interest	2,358,575	1,515,000	843,575
Total Finance Revenue	42,760	30,000	12,760
Total Solid Waste Revenue	2,849,716	2,825,000	24,716
Total Recreation & Cultural Service Programs	1,041,179	1,118,500	(77,321)
Total Water Utility Charges	4,951,510	4,951,510	(0)
Total Unconditional Transfers	15,851,979	15,835,838	16,141
Total Conditional Transfers	3,536,576	3,689,842	(153,266)
Total Extraordinary Revenue (Pandemic Recovery)	6,213,342	-	6,213,342
Total Revenue	\$ 171,432,506	\$ 162,223,985	\$ 9,208,521

Includes bank interest \$725K

Expenditures

Over budget
\$9,923,832

Fiona - related
Costs - \$7.2m
(and growing)

Fuel variance
\$1.5m

Vehicle repairs
\$900k

	Actuals	Budget	Variance
Expenditures	2022-23	2022-23	
Legislative	\$ 1,549,222	\$ 1,611,016	\$ 61,794
Administration	482,881	481,819	(1,062)
Finance	3,158,645	3,413,905	255,260
Legal	2,246,639	2,353,597	106,958
Human Resources	1,298,647	1,393,597	94,950
Technology & Communications	3,790,288	3,984,042	193,754
Municipal Clerk	517,716	571,000	53,284
Fiscal Services	31,681,253	32,363,405	682,152
Police Services	27,039,973	27,870,130	830,157
Fire Services (Incl EMO)	19,332,562	18,642,740	(689,822)
Engineering & Public Works	64,057,801	52,927,051	(11,130,750)
Planning	3,066,468	3,560,909	494,441
Facilities: Centre 200 & Arenas	4,193,882	3,496,797	(697,085)
Parks & Grounds	3,459,569	3,210,874	(248,695)
Buildings	3,648,953	3,489,843	(159,110)
Recreation	2,623,317	2,853,260	229,943
Total Expenditures	\$ 172,147,817	\$ 162,223,985	\$ (9,923,832)

Department	Actuals	Budget	Variance	Fiona	Inflation/other
Engineering and Admin	5,106,483	5,206,584	100,101	(197)	100,298
Divisional Operations	23,982,371	19,198,683	(4,783,688)	(4,653,019)	(130,669)
Solid Waste	17,971,465	14,431,318	(3,540,147)	(2,290,614)	(1,249,533)
Fleet	5,644,807	4,172,889	(1,471,918)	(131)	(1,471,787)
Transit	7,877,487	6,855,813	(1,021,674)	(23,262)	(998,412)
Waste Water	3,475,188	3,061,764	(413,424)	(40,350)	(373,074)
Department Totals	64,057,801	52,927,051	(11,130,750)	(7,007,573)	(4,123,177)

Majority of departments reported lower than budgeted expenses.

Engineering & Public Works, particularly transit & fleet saw significant unbudgeted increases in costs of materials and fuel due to inflation.

Comparison by Expenditure Actual to Budget

Column1	Actuals	Budget	Column3
Expenditures	2022/23	2022/23	Variance
Wages and Benefits, Net of Cost Recovery/Employment Grants	\$ 72,505,247	\$ 72,974,130	(468,883)
Contracts/ Agreements/ Professional Service	20,791,257	19,545,178	1,246,079 *
Provincial Service Costs (includes PVSC)	20,492,720	20,411,560	81,160
Debt Servicing	10,087,243	10,276,394	(189,151)
Water Utility Hydrant Fee	7,076,391	7,076,384	7
Vehicle Maintenance/ Repair/ Fuel	8,238,840	5,817,000	2,421,840 *
Operational Equipment/ Materials/ Supplies/ Tools/ Uniforms/ Clothing	6,554,505	5,854,439	700,066 *
Grants to Organizations	4,396,994	4,421,962	(24,968)
Heat/ Electrical/ Water	3,269,068	2,949,100	319,968
Street Lights	2,355,685	2,355,500	185
Building Maintenance/ Repair/ Rental	1,772,085	1,624,482	147,603
Insurance	1,726,504	1,765,000	(38,496)
Office/ Computer Supplies/ Equipment	1,593,602	1,745,483	(151,881)
Allowance for Uncollectible Taxes/ Receivables/DUP	221,440	920,000	(698,560) *
Telephone/ Communication Equipment	789,540	868,354	(78,814)
Cost Recovery	(963,727)	(708,460)	(255,267)
Security	463,647	487,200	(23,553)
Training/ Education/ Travel/ Conferences/ Meetings	862,565	1,042,668	(180,103)
Licenses/ Permits/ Easements	490,447	548,387	(57,940)
Community Events	319,586	335,000	(15,414)
Cost of Sales	511,130	300,000	211,130
Advertising/ Promotion	238,831	325,700	(86,869)
Postage/ Courier	227,746	236,150	(8,404)
Professional Membership Dues/ Fees/ Subscriptions	179,837	192,374	(12,537)
Low Income Rebate	729,709	860,000	(130,291)
FIONA	7,216,928	0	7,216,928
Total Expenditures	\$ 172,147,817	\$ 162,223,985	\$ 9,923,832
Expenditures (Excluding Fiona)	\$ 164,930,889	\$ 162,223,985	\$ 2,706,904

Comparison by Expenditure 2022/23 vs 2021/22

Column1	CY Actual 2022/23	PY Actual 2021/22	Variance
Expenditures			
Wages and Benefits, Net of Cost Recovery/Employment Grants	\$ 72,505,247	\$ 68,671,017	\$ 3,834,231
Contracts/ Agreements/ Professional Service	20,791,257	20,279,917	511,340
Provincial Service Costs (includes PVSC)	20,492,720	19,875,640	617,079
Debt Servicing	10,087,243	10,142,254	(55,011)
Water Utility Hydrant Fee	7,076,391	7,076,391	-
Vehicle Maintenance/ Repair/ Fuel	8,238,840	6,471,929	1,766,911
Operational Equipment/ Materials/ Supplies/ Tools/ Uniforms/ Clothing	6,554,505	6,016,190	538,315
Grants to Organizations	4,396,994	4,327,904	69,090
Heat/ Electrical/ Water	3,269,068	2,962,761	306,307
Street Lights	2,355,685	2,339,710	15,975
Building Maintenance/ Repair/ Rental	1,772,085	1,622,716	149,368
Insurance	1,726,504	1,561,853	164,651
Office/ Computer Supplies/ Equipment	1,593,602	1,406,049	187,553
Allowance for Uncollectible Taxes/ Receivables/DUP	221,440	914,071	(692,631)
Telephone/ Communication Equipment	789,540	861,163	(71,623)
Cost Recovery	(963,727)	(819,445)	(144,282)
Security	463,647	580,499	(116,852)
Training/ Education/ Travel/ Conferences/ Meetings	862,565	540,601	321,963
Licenses/ Permits/ Easements	490,447	519,041	(28,593)
Community Events	319,586	285,158	34,429
Cost of Sales	511,130	265,276	245,854
Advertising/ Promotion	238,831	216,011	22,820
Postage/ Courier	227,746	211,496	16,249
Professional Membership Dues/ Fees/ Subscriptions	179,837	162,716	17,121
Low Income Rebate	729,709	108,773	620,935
FIONA	7,216,928	-	7,216,928
Total Expenditures	\$ 172,147,817	\$ 156,599,690	\$ 15,548,127
Expenditures (Excluding Fiona)	\$ 164,930,889	\$ 156,599,690	\$ 8,331,199

CBRM Operating (Council)

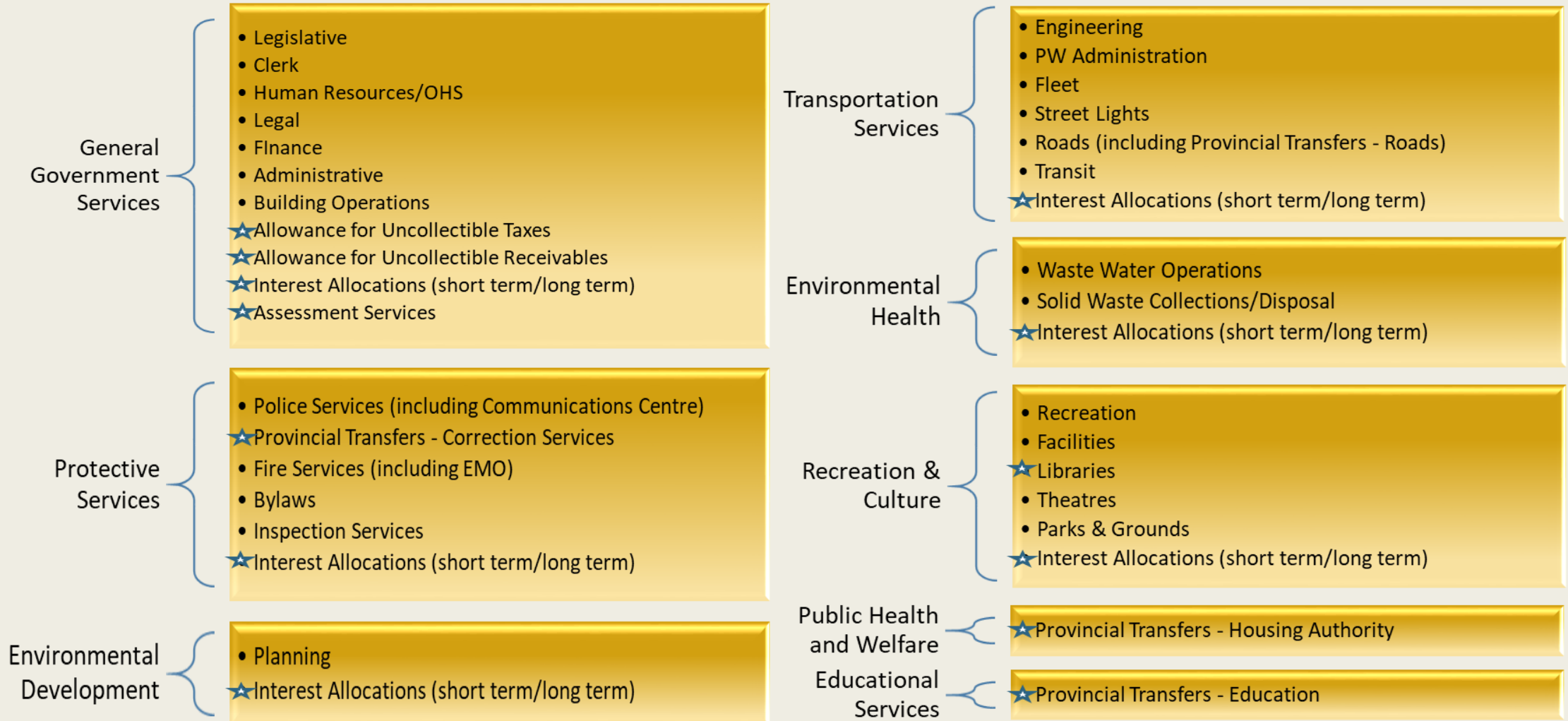


FRAM



PSAB Presentation

Step 1: Classify department revenues by significant source, and expenditures by government function



CBRM Operating
(Council)



FRAM



PSAB
Presentation

Step 2: Report annual surplus as transfer to operating reserve.

Financing & Transfers

- ★ Deventure Principal Repayments
- ★ Amortization of Bond Discount
- ★ *Transfers to/from Special Reserve Fund*
- ★ *Transfers to Capital Fund*

le. Operating
surplus

le. J-Class Road
Contribution

	2023	2022
Annual Surplus, Council Format	(715,389)	16,241,374
Surplus transfer to operating reserve	★ 715,389	(16,241,374)
Annual Surplus, FRAM	-	-

March 6, 2024
Special Council
Meeting

Motion

Moved by Councillor Eldon MacDonald, seconded by Councillor Gillespie, to approve Funding the 2022-23 Operating Deficit of \$715,389 from Operating Reserve.

Motion Carried

CBRM Operating
(Council)



FRAM



PSAB
Presentation

Legislative Requirements vs GAAP

- There is no acceptable substitute for “generally accepted accounting principles”.
- However, since the application of such principles will not always produce the requirements of particular legislation, it may be necessary to meet the latter through specially designed statements and reports.

CBRM (FRAM)

Accrued debenture interest

Vacation and sick benefit accrual

NEW ARO Standard (Asset Retirement Obligation)

- PSAB: Meets definition of liability and must be accrued.
- FRAM: Not required under legislation

WATER UTILITY (UARB)

Capital Contributions

- PSAB: Reported as revenue when received
- UARB: Deferred and amortized on the basis of the funded asset

Depreciation

- PSAB: Expense
- UARB: Depreciation Reserve

CBRM Operating
(Council)



FRAM



PSAB
Presentation



Step 3: Adjust accruals recognized under PSAB.

	2023	2022
PSAB ADJUSTMENTS		
Decrease (increase) in Landfill closure liability	56,294,281	(1,727,819)
Decrease (increase) in accrued interest	-	753,338
Decrease (increase) in accrued sick benefits	(1,694,156)	55,470
Decrease (increase) in accrued vacation entitlements	2,540,168	(154,148)
CHANGE IN FUND BALANCE (PSAB)	57,140,293	(1,073,159)

PSAB FUND BALANCE COMPRISED OF:	2023	2022
Landfill closure liability	*	(56,294,281)
Unfunded Deficit		-
Sick benefit accrual	(2,077,910)	(383,787)
Vacation accrual	(2,572,608)	(5,112,743)
	(4,650,518)	(61,790,811)

* The previously reported Landfill closure liability now falls under the Asset Retirement Obligation Standard and is now reported in the Capital Fund.

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Cape Breton Regional Municipality
Schedule of Operating Fund and Change in Fund Balance
For the year ended March 31, 2023
(Unaudited)

	2023	2022
REVENUES		
Taxes	\$ 119,087,257	\$ 118,064,148
Grants in lieu of taxes	9,396,051	9,436,816
Services provided to other governments	1,145,521	801,142
Sales of services	4,172,309	1,796,453
Revenue from own sources	11,826,538	11,211,569
Unconditional transfers from other governments	15,851,979	31,175,896
Conditional transfers from other governments	4,609,846	4,260,247
Extraordinary revenue	6,213,522	
	172,303,023	176,746,271
EXPENSES		
General government services	15,995,096	15,224,793
Protective services	54,701,383	53,053,536
Transportation services	43,239,884	35,242,511
Environmental health services	(34,841,492)	18,893,401
Public health and welfare services	2,721,969	2,320,861
Environmental development services	1,226,578	1,351,472
Recreation and cultural services	11,609,926	9,752,691
Educational services	15,534,623	15,282,089
	110,187,967	151,121,354
Excess of revenues over expenses before the following	62,115,056	25,624,917
FINANCING AND TRANSFERS		
Debt and term loan principal instalments	(8,506,443)	(7,965,269)
Transfer to special reserve funds	3,589,200	(16,821,368)
Transfer to general capital fund	-	(1,852,912)
Amortization of bond discount	(57,520)	(58,527)
	(4,974,763)	(26,698,076)
CHANGE IN FUND BALANCE	57,140,293	(1,073,159)
FUND BALANCE, BEGINNING OF YEAR	(61,790,811)	(60,717,652)
FUND BALANCE, END OF YEAR	\$ (4,650,518)	\$ (61,790,811)

Cape Breton Regional Municipality

Capital Fund

CBRM's Capital fund represents the Municipality's investments in capital assets.

- The fund balance increases for the following:
 - Grants received for capital projects, such as ICIP, and other outside funding contributions.
 - Monies transferred from our own funds, such as capital out of operating, gas tax reserves, capital reserves.
 - Repayment of debentures.
 - As ARO obligations are no longer municipal responsibility (ie. Sale of property to a 3rd party).
- The fund decreases for depreciation, as well as the addition of any newly recognized asset retirement obligations under the new accounting standard.
- This year's results were impacted by the transition to the new ARO standard, particularly the recognition of the liability for landfill closures that was previously recognized in the operating fund.

Cape Breton Regional Municipality

Capital Fund

* The previously reported Landfill closure liability now falls under the Asset Retirement Obligation Standard and is now reported in the Capital Fund.

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Cape Breton Regional Municipality

Schedule of Capital Fund and Change in Fund Balance

For the year ended March 31, 2023
(Unaudited)

	2023	2022
REVENUES		
Capital grants	\$ 18,220,293	\$ 14,463,770
Gain on disposal of assets	-	4,250,000
	18,220,293	18,713,770
EXPENSES		
General government services	945,054	278,932
Protective services	1,573,670	1,385,808
Transportation services	13,718,084	8,948,090
Environmental health services	* 33,747,977	3,084,859
Recreation and cultural services	1,668,250	1,805,834
Planning and development services	762,237	736,471
	52,415,272	16,239,994
Excess of revenues over expenses before the following	(34,194,979)	2,473,776
FINANCING AND TRANSFERS		
Transfer from reserve funds	16,963,712	10,253,779
Transfer from general operating fund	-	1,852,912
Transfer from water operating fund	650,000	650,000
Debt Repayments during fiscal year	8,506,443	7,965,269
	26,120,155	20,721,960
CHANGE IN FUND BALANCE	(8,074,824)	23,195,736
FUND BALANCE, BEGINNING OF YEAR	291,696,589	268,500,853
FUND BALANCE, END OF YEAR	\$ 283,621,765	\$ 291,696,589

Contributions from Provincial and Federal Governments

\$14.2M - ICIP (Wastewater)
\$2.3M Charlotte St. Redevelopment
\$454K - Hawks Dream Field
\$425K - PTAP/ATAP (Transit)
\$300K - VFD equipment
\$541K - C200, Other facilities

Depreciation of assets & initial recognition of ARO Liabilities

Transfer from gas tax reserves, capital out of operating, other capital reserves.

Debt Repayments during fiscal year

Cape Breton Regional Municipality

Capital, Funding & Debt

CBRM Capital Program 2022/23	Budget	Cost	Funding	Borrowing	Budgeted Borrowing	Variance
Land and buildings	\$ 4,363,900	\$ 1,519,474	\$ 224,715	\$ 1,294,759	\$ 3,373,900	\$ (2,079,141)
Centre 200 Revitalization	5,476,295			-	1,460,345	(1,460,345)
Fire Equipment/Apparatus	791,000	2,167,758	299,538	1,868,219	791,000	1,077,219
Streets and Sidewalks	13,645,350	11,570,426	10,619,100	951,326	2,587,480	(1,636,154)
Fleet Replacement	1,500,000	1,655,681	777,111	878,570	850,000	28,570
Waste Water/Storm Water	35,997,740	22,128,969	14,191,220	7,937,749	7,685,587	252,162
Parks, Grounds and Arenas	920,000	2,073,693	1,318,607	755,086	425,000	330,086
Active Transportation	-			-	-	-
Transit	1,725,000	2,791,107	513,700	2,277,407	906,300	1,371,107
Service Delivery Modernization	1,000,414				271,414	(271,414)
Library	7,500,000				2,000,000	(2,000,000)
Less Municipal Capacity Top up			\$ 7,890,013	\$ (7,890,013)	(11,851,026)	3,961,013
Total	\$72,919,699	\$ 43,907,109	\$ 35,834,005	\$ 8,073,103	\$ 8,500,000	-\$ 426,897

Debt Repaid	-\$ 8,506,443
New Debt	\$ 8,073,103
Net Increase in Total Debt	\$ (433,340)

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Cape Breton Regional Municipality Schedule of Long-term Debt For the year ended March 31, 2023

Term (years)	Interest rate - %	Matures	Balance March 31/22	Issued	Redeemed	Balance March 31/23
General Fund						
M.F.C.						
32-B-1	10	0.000-3.160	2023	379,700	-	379,700
33-B-1	10	0.000-3.614	2023	936,534	-	468,269
34-B-1	10	1.200-3.190	2024	3,990,000	-	1,330,000
35-A-1	10-20	1.040-3.449	2030	2,840,000	-	560,000
36-A-1	10	1.150-2.506	2026	3,122,000	-	624,400
37-A-1	10	1.734-3.073	2027	4,964,400	-	827,400
38-A-1	10	2.490-3.389	2028	8,382,499	-	1,197,500
FCM-1	10	2.250	2028	700,000	-	100,000
39-A-1	10	2.015 - 2.561	2029	8,200,000	-	1,025,000
40-A-1	10	0.400 - 2.376	2031	8,808,140	-	880,814
41-A-1	10	0.500 - 2.259	2031	11,133,600	-	1,113,360
42-B-1	10	3.847-4.177	2032		7,593,205	-
			53,456,873	7,593,205	8,506,443	52,543,635

Long Term Debt - Capital Projects	2022/23	2021/22
Current Long Term Debt, Financial Statements	52,543,635	\$ 53,456,873
Short term borrowing (20/21 capital projects)		7,593,205
Short term borrowing (21/22 capital projects)	8,887,057	8,887,057
Short term borrowing (22/23 capital projects)	8,073,103	
Balance of Total Debt	\$ 69,503,795	\$ 69,937,135
Change in Total Debt	\$ (433,340)	\$ 20,863,528

Cape Breton Regional Municipality

Reserve Fund

CBRM's Reserve fund represents:

- Prior year surpluses reserved for operating or other special purpose
- Capital grants received, but not yet spent

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Cape Breton Regional Municipality

Schedule of Reserve Funds and Change in Fund Balance

For the year ended March 31, 2023
(Unaudited)

	2023	2022
REVENUES		
Investment income	\$ 789,888	\$ 112,329
Sale of properties	329,815	844,938
Grants	10,720,853	31,822,124
	11,840,556	32,779,391
FINANCING AND TRANSFERS		
Transfer from operating fund	(3,589,200)	16,821,368
Transfer to capital funds	(16,963,712)	(10,253,779)
	(20,552,912)	(6,567,589)
CHANGE IN FUND BALANCE	(8,712,356)	39,346,980
FUND BALANCE, BEGINNING OF YEAR	61,167,639	21,820,659
FUND BALANCE, END OF YEAR	\$ 52,455,283	\$ 61,167,639

- Interest earned during reporting period.
- Sale of equipment and other property required to be placed in reserve (MGA)
- Grants include advances on infrastructure funding, and federal gas tax allotment.

Transfers from operating fund include:

- Planned transfers \$3.84M
- Current year deficit funding – \$715K
- Unspent program funding (sustainability, studies, etc)
- Election reserve transfer
- Tax sale surplus and annual C200 CIF allocation

- Transfer to capital fund is gas tax spending and planned reserve spending for capital projects during fiscal year



CAPE BRETON
REGIONAL MUNICIPALITY



CBRM Water Utility

**Operating, Capital and
Reserve Funds**

Year Ended March 31, 2023

Cape Breton Regional Municipality Water Utility – Operating Fund

Water Utility Consolidated (UARB)

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Cape Breton Regional Municipality Water Utility Statement of Financial Activities – Operating Fund

For the year ended March 31, 2023

	2023	2022
	Budget (Unaudited)	Actual Actual
OPERATING REVENUES		
Metered sales	\$ 19,218,619	\$ 19,322,036
Public fire protection	7,076,391	7,076,391
Consumer's interest	350,000	769,932
Service connections	66,000	230,693
	26,711,010	27,399,052
OPERATING EXPENSES		
Source of supply	537,541	502,819
Power and pumping	1,982,563	1,820,919
Water treatment	4,899,272	4,967,373
Transmission and distribution	4,912,368	5,156,939
Administration and general	3,362,110	3,206,353
Depreciation	3,850,000	3,706,904
Taxes	2,040,806	1,896,230
	21,584,660	21,257,537
Excess of operating revenues over expenses before the following	5,126,350	6,141,515
NON-OPERATING REVENUES		
Amortization of deferred capital contributions	298,504	298,504
NON-OPERATING EXPENSES		
Debt charges		
Provision for principal repayment	3,564,500	3,564,500
Interest	1,065,842	1,041,977
Amortization of debt discounts	37,112	24,540
Bank fees/charges	204,081	25,605
Capital expenditures out of operations	1,250,000	1,250,000
	6,121,535	5,906,622
CHANGE IN FUND BALANCE	\$ (696,681)	\$ 533,397

Change in fund balance (UARB) \$533,397
 - Amort. Of Deferred Contributions (298,504)
 = Change in Fund Balance (PSAB) \$234,893

CBRM Consolidated (PSAB)

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Cape Breton Regional Municipality Water Utility Operating Fund and Change in Fund Balance

For the year ended March 31, 2023
(Unaudited)

	2023	2022
OPERATING REVENUES		
Metered sales	\$ 19,322,036	\$ 19,345,910
Public fire protection	7,076,391	7,076,391
Consumer's interest	769,932	661,977
	27,168,359	27,084,278
OPERATING EXPENSES		
Source of supply	502,819	500,111
Power and pumping	1,820,919	1,827,573
Water treatment	4,967,373	4,506,364
Transmission and distribution	4,506,939	4,732,871
Administration and general	3,206,353	2,856,054
Taxes	1,896,230	1,987,221
	16,900,633	16,410,194
Excess of revenues over expenses before the following	10,267,726	10,674,084
NON-OPERATING REVENUES		
Miscellaneous	230,693	111,796
NON-OPERATING EXPENSES		
Interest on debentures	1,041,977	1,065,842
Amortization of debt discounts	24,539	32,545
Other	25,605	24,151
Transfer to water capital fund	8,521,404	8,666,766
Transfer to general capital fund	650,000	650,000
	10,263,525	10,439,304
CHANGE IN FUND BALANCE	234,894	346,576
FUND BALANCE, BEGINNING OF YEAR	6,914,927	6,568,351
FUND BALANCE, END OF YEAR	\$ 7,149,821	\$ 6,914,927

Difference between 2 reporting models is in how amortization of deferred contribution of \$298,504 is reported.

Cape Breton Regional Municipality

Water Utility Change in Fund Balance - Operating Fund

Water Utility Consolidated (UARB)

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Cape Breton Regional Municipality Water Utility Statement of Operating Fund Surplus (Deficit) For the year ended March 31, 2023

	2023	2022
SURPLUS (DEFICIT), BEGINNING OF YEAR	\$ 2,631,979	\$ 1,986,903
Change in fund balance	533,397	645,076
SURPLUS (DEFICIT), END OF YEAR	\$ 3,165,376	\$ 2,631,979

Difference in fund balance due to the accounting treatment for previously recognized capital contributions (PSAB), net of accumulated amortized contributions to date (UARB).

CBRM Consolidated (PSAB)

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Cape Breton Regional Municipality Schedule of Water Utility Operating Fund and Change in Fund Balance For the year ended March 31, 2023 (Unaudited)

	2023	2022
OPERATING REVENUES		
Metered sales	\$ 19,322,036	\$ 19,345,910
Public fire protection	7,076,391	7,076,391
Consumer's interest	769,932	661,977
	27,168,359	27,084,278
OPERATING EXPENSES		
Source of supply	502,819	500,111
Power and pumping	1,820,919	1,827,573
Water treatment	4,967,373	4,506,364
Transmission and distribution	4,506,939	4,732,871
Administration and general	3,206,353	2,856,054
Taxes	1,896,230	1,987,221
	16,900,633	16,410,194
Excess of revenues over expenses before the following	10,267,726	10,674,084
NON-OPERATING REVENUES		
Miscellaneous	230,693	111,796
NON-OPERATING EXPENSES		
Interest on debentures	1,041,977	1,065,842
Amortization of debt discounts	24,539	32,545
Other	25,605	24,151
Transfer to water capital fund	8,521,404	8,666,766
Transfer to general capital fund	650,000	650,000
	10,263,525	10,439,304
CHANGE IN FUND BALANCE	234,894	346,576
FUND BALANCE, BEGINNING OF YEAR	6,914,927	6,568,351
FUND BALANCE, END OF YEAR	\$ 7,149,821	\$ 6,914,927

Cape Breton Regional Municipality

Water Utility Change in Fund Balance - Capital Fund

Water Utility Consolidated (UARB)

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Statement of Investment in Capital Assets For the year ended March 31, 2023

	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 91,661,927	\$ 86,724,275
Term debt retired	3,564,500	3,564,500
Capital out of operations	1,250,000	1,373,152
BALANCE, END OF YEAR	\$ 96,476,427	\$ 91,661,927

Total \$4,814,500

- Capital Projects funded through depreciation reserve
- NO New Debt, however 27-A-1 refinanced for final 5 year term.
- Debt Balance \$18,372,500

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Cape Breton Regional Municipality Water Utility Schedule B - Capital Debt Charges For the year ended March 31, 2023

	Date of Issue	Maturity Date	Interest Rate %	Balance March 31, 2022	Issued	Redeemed	Balance March 31, 2023
Municipal Finance Corporation							
27-A-1	2007	2022	4.745 – 4.770	\$ 5,487,000	\$ -	\$ 5,487,000	\$ -
28-A-1	2008	2023	4.949 – 5.088	4,900,000	-	700,000	4,200,000
30-A-1	2010	2025	4.500 – 4.875	6,750,000	-	750,000	6,000,000
33-A-1	2013	2023	2.454 – 2.979	1,600,000	-	800,000	800,000
34-A-1	2014	2029	2.516 – 3.792	3,200,000	-	400,000	2,800,000
42-A-1	2022	2027	2.575 – 3.290	-	4,572,500	-	4,572,500
				\$ 21,937,000	\$ 4,572,500	\$ 8,137,000	\$ 18,372,500

CBRM Consolidated (PSAB)

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Cape Breton Regional Municipality Schedule of Water Utility Capital Fund and Change in Fund Balance For the year ended March 31, 2023 (Unaudited)

	2023	2022
REVENUES		
Capital grants	\$ -	\$ -
EXPENSES		
Amortization	3,736,304	3,729,115
Deficiency of revenues over expenses before the following	3,736,304	(3,729,115)
FINANCING AND TRANSFERS		
Transfer from water operating fund	8,521,404	8,666,766
CHANGE IN FUND BALANCE	4,785,100	4,937,651
FUND BALANCE, BEGINNING OF YEAR	101,557,631	96,619,980
FUND BALANCE, END OF YEAR	\$ 106,342,731	\$ 101,557,631

Change in fund balances equal under each standard in 2022. For 2023, the difference between the change in fund balances under each standard is due to how ARO assets and liabilities for water tanks are presented in the statements.

Cape Breton Regional Municipality

Water Utility – Change in Fund Balance – Reserve Fund

Water Utility Consolidated (UARB)

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Cape Breton Regional Municipality Water Utility Statement of Special Reserve For the year ended March 31, 2023

	2023				2022	
	Non-shareable debt expenditure	Future capital expenditure	Watershed land acquisition	Sysco waterline maintenance	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 55,368	\$ 936,695	\$ 339,626	\$ 716,245	\$ 2,047,934	\$ 2,048,176
Interest on investments	175	2,971	1,222	-	4,368	(242)
BALANCE, END OF YEAR	\$ 55,543	\$ 939,666	\$ 340,848	\$ 716,245	\$ 2,052,302	\$ 2,047,934

CBRM Consolidated (PSAB)

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Cape Breton Regional Municipality Statement of Water Utility Reserve Funds and Change in Fund Balance For the year ended March 31, 2023 (Unaudited)

	2023		2022	
REVENUES				
Investment income	\$	4,367	\$	(242)
CHANGE IN FUND BALANCE		4,367		(242)
FUND BALANCE, BEGINNING OF YEAR		2,047,934		2,048,176
FUND BALANCE, END OF YEAR		\$ 2,052,301		\$ 2,047,934

Operating results and fund balances
consistent under both sets of standards.

Cape Breton Regional Municipality

Port of Sydney Development Corporation

Change in Fund Balance – Operating Fund

Cape Breton Regional Municipality

Schedule of Port of Sydney Development Corporation Operating Fund and Change in Fund Balance

For the year ended March 31, 2023
(Unaudited)

	Budget (Unaudited)	2023	2022
REVENUES			
Wharfage and berthage	\$ 650,043	\$ 696,742	\$ 427,711
Passenger tax	785,623	876,697	-
Events	96,750	89,606	51,763
Security	219,642	279,740	65,679
Storage and rental	241,944	255,864	144,380
Craft market	36,473	67,278	-
Sundry	4,600	35,945	13,557
Government funding	10,000	144,177	371,710
	2,045,075	2,446,049	1,074,800
EXPENSES			
Advertising and promotion	17,750	15,924	10,860
Bad debts	2,000	1,752	1,655
Cruise activities	22,000	55,222	321
Dues and fees	23,540	29,226	8,564
Events	52,600	13,562	2,149
Insurance	56,800	68,094	52,070
Interest and bank charges	3,870	5,212	3,990
Miscellaneous	24,770	16,292	5,830
Office and administration	8,087	12,034	8,167
Professional fees	41,828	11,381	129,013
Rent	52,320	52,320	52,320
Repairs and maintenance	245,021	225,119	105,527
Security	160,436	179,831	45,115
Travel	27,740	21,119	10,992
Utilities	169,320	223,085	173,452
Wages and benefits	786,834	815,895	613,059
	1,694,916	1,746,068	223,084
Excess of revenues over expenses before the following	350,159	699,981	148,284
Amortization of capital assets	(400,000)	(331,946)	(363,172)
Gain on disposal of assets		6,500	
CHANGE IN FUND BALANCE	\$ (49,841)	374,535	(511,456)
FUND BALANCE, BEGINNING OF YEAR		4,018,078	4,529,534
FUND BALANCE, END OF YEAR		\$ 4,392,613	\$ 4,018,078

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The Port of Sydney is accountable to the CBRM for the administration of their financial affairs and resources, as they are owned and controlled by the Municipality. As such, the PSDC's financial results are consolidated with CBRM's own funds to form the CBRM Consolidated Financial Statements.

CONSOLIDATED STATEMENTS

CBRM

Operating Fund
Capital Fund
Reserve Fund



CBRW

Operating Fund
Capital Fund
Reserve Fund



PSDC

Operating Fund

Consolidated Results	CBRM			CBRW			PSDC	Total
	Operating	Capital	Reserve	Operating	Capital	Reserve	Operating	
Change in Fund Balance	57,140,293	(8,074,824)	(8,712,341)	234,894	4,785,100	4,367	374,535	45,752,009
Fund Balance, Beginning of Year	(61,790,811)	291,696,589	61,167,639	6,914,927	101,557,631	2,047,934	4,018,078	405,611,987
Fund Balance, End of Year	(4,650,518)	283,621,765	52,455,298	7,149,821	106,342,731	2,052,301	4,392,613	451,363,996

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Cape Breton Regional Municipality Consolidated Statement of Financial Activities For the year ended March 31, 2023

	Budget (Unaudited)	2023	2022
REVENUES			
Taxes	\$ 117,421,345	\$ 119,087,257	\$ 118,064,148
Grants in lieu of taxes	9,204,942	9,396,051	9,436,816
Services provided to other governments	801,140	1,145,521	801,142
Sales of services	3,950,500	4,172,309	1,796,453
Revenue from own sources	5,937,677	6,875,028	6,260,059
Unconditional transfers from other governments	15,835,838	15,851,979	31,175,896
Conditional transfers from other governments	4,352,027	4,754,023	4,631,957
Capital grants	-	28,941,146	46,285,894
Water Utility revenue	19,634,619	20,322,661	20,119,683
Investment income	-	794,255	112,102
Port of Sydney Development Corporation	2,045,075	2,301,872	703,090
Gain on sale of properties	-	336,330	5,094,938
Extraordinary revenue	-	6,213,522	-
	179,183,163	220,191,954	244,482,178
EXPENSES			
General government services	19,862,080	16,940,165	15,503,740
Protective services	49,822,515	49,198,662	47,362,953
Transportation services	39,678,273	56,957,968	44,190,601
Environmental health services	18,293,390	(1,093,515)	21,978,260
Public health and welfare services	2,575,632	2,721,969	2,320,861
Environmental development services	1,439,798	1,226,578	1,351,472
Recreation and cultural services	11,764,237	13,278,176	11,558,525
Planning and development services	-	762,237	736,471
Educational services	15,534,507	15,534,623	15,282,089
Port of Sydney Development Corporation	1,694,916	2,078,014	1,586,256
Water Utility expenses	14,053,073	16,753,009	16,277,792
	174,718,421	174,357,886	178,149,020
Excess of revenues over expenses before the following	4,464,742	45,834,068	66,333,158
NET FINANCING AND TRANSFERS			
Amortization of bond discount	(135,112)	(82,059)	(91,072)
CHANGE IN FUND BALANCES	\$ 4,329,630	45,752,009	66,242,086
FUND BALANCES, BEGINNING OF YEAR		405,611,987	339,369,901
FUND BALANCES, END OF YEAR	\$	\$ 451,363,996	\$ 405,611,987

Cape Breton Regional Municipality

Other Schedules

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Cape Breton Regional Municipality Schedule of Remuneration and Reportable Expenses of Council *For the year ended March 31, 2023*

Council	Annual Remuneration	Travel Expenses
D. Bruckschwaiger	\$ 52,626	\$ 3,898
J. Edwards (Deputy Mayor)	\$ 54,728	\$ 4,471
L. Green	\$ 52,626	\$ 4,900
S. Gillespie	\$ 52,626	\$ -
C. MacDonald	\$ 52,626	\$ 1,360
E. MacDonald	\$ 52,626	\$ 7,740
G. D. MacDonald	\$ 52,626	\$ 7,814
E. MacMullin (Deputy Mayor)	\$ 55,717	\$ 7,949
A. McDougall (Mayor)	\$ 153,848	\$ 23,911
D. O'Quinn	\$ 52,626	\$ 2,305
S. Parsons	\$ 52,626	\$ 2,940
G. Paruch	\$ 52,626	\$ 3,344
K. Tracey	\$ 52,626	\$ 4,429

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Cape Breton Regional Municipality Schedule of Remuneration and Reportable Expenses of Senior Staff *For the year ended March 31, 2023*

Senior Staff	Annual Remuneration	Reportable Expenses
D. Campbell-Ryan	\$ 110,384	\$ 4,623
J. Campbell	\$ 125,961	\$ 3,806
K. Durning	\$ 94,652	\$ 941
D. Evelyn	\$ 125,961	\$ 1,867
D. Kachafanas	\$ 125,961	\$ 1,344
W. MacDonald	\$ 133,574	\$ 4,241
J. MacKinnon	\$ 178,814	\$ 9,144
M. Ruus	\$ 125,330	\$ 3,613
M. Seth	\$ 148,139	\$ 8,451
M. Walsh	\$ 220,461	\$ 10,071
R. Walsh	\$ 164,647	\$ 1,915

5.2.2(e) Audit Committee Policy:
Review the overall reasonableness of CAO, Mayor and Council travel and hospitality expenses.
Amounts also disclosed for senior staff.

Cape Breton Regional Municipality

Financial Condition Index (*Draft*)

Indicator Name	2022-23	2021-22	2020-21	2019-20	2018-19
Reliance on Government Transfers	15.1%	22.7%	15.9%	12.1%	12.4%
Uncollected Taxes	14.4%	15.2%	13.8%	14.8%	14.5%
3 Year Change in Tax Base	7.3%	7.8%	9.0%	7.1%	8.8%
Reliance on Single Business or Institution	1.1%	1.1%	1.5%	1.6%	1.7%
Residential Tax Effort	2.7%	2.6%	3.0%	2.9%	2.8%
# of Deficits in the Last 5 Years	0 out of 5 years	0 out of 5 years	0 out of 5 years	0 out of 5 years	0 out of 5 years
Years with a Budget Accuracy within + or - 5% in the last five years	N/A	N/A	5 out of 5 years	5 out of 5 years	5 out of 5 years
Liquidity	1.7	2.2	2.8	1.3	1.2
Operating Reserve	9.0%	12.7%	9.6%	7.8%	6.1%
Debt Service Cost	19.8%	20.4%	10.4%	10.3%	10.4%
Outstanding Operating Debt	10.7%	19.5%	33.1%	8.2%	8.2%
Undepreciated Assets	60.2%	60.0%	60.3%	60.5%	59.9%
Combined Operating & Capital Reserves	31.89%	39.9%	14.8%	11.5%	8.7%

Cape Breton Regional Municipality

Financial Condition Index (*Draft*)

Set by DMA

Indicator	Formula	Inputs	Value	Indicator Threshold
Reliance on Gov't Transfers	$\frac{\text{Total Government Transfers}}{\text{Total Revenue}}$	$\frac{21,593,231}{143,403,223} =$	15.1%	<div>< 15%</div> <div>15 - 20%</div> <div>> 20%</div>
Indicative of the degree of reliance on government transfers to sustain services/programs.			The Municipality is not dependent on another level of government to meet its service obligations.	
Uncollected Taxes	$\frac{\text{Taxes Receivable (net of allowance)}}{\text{Total Taxes Billed}}$	$\frac{16,332,757}{113,150,427} =$	14.4%	<div>< 10%</div> <div>10 - 15%</div> <div>> 15%</div>
Indicative of the degree of difficulty the Municipality is experiencing in its tax revenue collection.			The Municipality is experiencing challenges with its tax revenue collection.	
3-Year Change in Tax Base	$\frac{\text{Current UA - UA 3 years prior}}{\text{UA 3 years ago}}$	$\frac{346,520,823}{4,750,144,857} =$	7.3%	<div>growth is = > change in CPI</div> <div>growth is < change in CPI</div> <div>negative growth</div>
Is the Municipality's tax base growing at a pace sufficient to sustain services/programs.			The Municipality's tax base is strong to cover the cost of municipal services and programs.	
Reliance on Single Business/Institution	$\frac{\text{Taxable assessment value of largest business/institution}}{\text{Uniform Assessment}}$	$\frac{53,861,400}{5,096,665,680} =$	1.1%	<div>< 10%</div> <div>10 - 15%</div> <div>> 15%</div>
Is Municipality dependant on the taxes of a single business/institution?			The Municipality is showing no vulnerability in this area.	
Residential Tax Effort	$\frac{\text{Residential Taxes / \# dwelling units}}{\text{Median Household Income}}$	$\frac{1,669}{62,400} =$	2.7%	<div>< 4%</div> <div>4 - 6%</div> <div>> 6%</div>
Helps Council assess the affordability of residential taxes in relation to current service levels.			The Municipality has some flexibility to increase tax rates if required.	
# of Deficits in the Last 5 Years	Surplus/ Deficit - 4 years ago Surplus/ Deficit - 3 years ago Surplus/ Deficit - 2 years ago Surplus/ Deficit - 1 year ago Surplus/ Deficit - Current Year	$\begin{matrix} 359,662 \\ 11,940 \\ 0 \\ 3,912,794 \\ 11,851,026 \end{matrix}$	0 of 5	<div>0 of 5</div> <div>1 or more of 5</div> <div>1 or more of 2</div>
Indicative of the municipality's ability to meet its needs in a balanced manner and maintain a balanced budget as an indication of financial health.			The Municipality is able to meet its needs in a balanced manner and maintain a balanced budget.	

Cape Breton Regional Municipality

Financial Condition Index (*Draft*)

Set by DMA



Indicator	Formula	Inputs	Value	Indicator Threshold			
Liquidity	Total Current Assets	50,063,781	=	1.7	> 1.5	1 - 1.5	< 1
	Total Current Liabilities	30,155,778					
Indicative of cash flow concern by assessing the municipality's ability to meet is current obligations.				The result indicates that the Municipality does not have a cash flow problem and can manage its service obligation.			
Operating Reserve	General Operating Reserve	13,802,700	=	9.0%	> 20%	10 - 20%	< 10%
	Total Expenses (including debenture payments)	153,868,710					
The value of funds set aside for planned or unexpected future needs.				The Municipality has not set aside sufficient funds to help mitigate unforeseen risks or future needs.			
Debt Service Cost	Principal/Interest on LTD	24,065,489	=	19.8%	< 10%	10 - 15%	> 15%
	Total Own Source Revenue	121,809,992					
Indicative of the flexibility to increase borrowing levels for future capital expenditures.				The Municipality has limited flexibility to increase borrowing.			
Outstanding Operating Debt	Total Operating Debt	14,084,299	=	10.7%	< 25%	25 - 50%	> 50%
	Total Net Taxes & PILT, GIL, Uncon. and Con. Transfers	131,418,438					
Indicative of the severity of operating debt a Municipality is carrying at year end.				The Municipality is carrying operating debt.			
Undepreciated Assets	Total NBV of Capital Assets	388,719,271	=	60.2%	> 50%	35 - 50%	< 35%
	Total Gross Cost of Capital Assets	646,239,617					
Indicates the remaining useful life of the Municipality's recognized capital assets to assess degree of infrastructure challenges.				The Municipality is experiencing less of an infrastructure challenge than other municipalities.			
Combined Reserve (Operating & Capital)	Total reseve fund balance	52,455,298	=	31.9%	> 40%	30 - 40%	< 30%
	Total operating expenses (Incl Depreciation)	164,499,838					
Assesses the Municipality's long term sustainability by measuring its ability to address both unexpected events or provide flexibility to address future infrastructure projects by comparing the value of funds held in reserves compared to 1 year's operating costs (including amortization).				The Municipality does not appear to have sufficient reserves needed to address unexpected events or the flexibility to address future projects.			

Cape Breton Regional Municipality

Year Ended March 31, 2023

“Crippled and crazy, we hobble toward the finish line, pen in hand.”

Siri Hustvedt

“There is no finish line. When you reach one goal, find a new one.”

Chuck Norris