

**Cape Breton Regional Municipality
Consolidated Financial Statements**

March 31, 2022

To Her Worship the Mayor and Members of Council of Cape Breton Regional Municipality:

Opinion

We have audited the consolidated financial statements of Cape Breton Regional Municipality and its subsidiaries (the "Municipality"), on pages 2-21, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of financial activities, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at March 31, 2022, and the results of its consolidated financial position, changes in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matters - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 22 - 28 is presented for the purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of the consolidated financial statements as a whole.

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

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

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

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

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

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

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

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

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

Sydney, Nova Scotia
November 7, 2022

MNP LLP

Chartered Professional Accountants

MNP

Cape Breton Regional Municipality
Consolidated Financial Statements
For the year ended March 31, 2022

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CBRM

A Community of Communities

Cape Breton Regional Municipality

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Cape Breton Regional Municipality (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MNP LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Jennifer Campbell, Chief Financial Officer

Cape Breton Regional Municipality Consolidated Statement of Financial Position

As at March 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 80,022,594	\$ 39,280,380
Taxes receivable (note 3)	17,072,389	15,137,768
Accounts receivable (note 4)	21,643,656	18,047,114
Due from trust fund	737,817	-
	119,476,456	72,465,262
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 5)	32,194,541	29,158,934
Due to trust funds	-	10,818
Deferred revenue	314,089	318,359
Accrued employee benefits	7,080,477	6,991,705
Solid waste management facilities liabilities (note 6)	56,294,281	54,566,462
Capital lease (note 7)	44,949	110,985
Long-term debt (note 8)	103,562,470	109,234,798
	199,490,807	200,392,061
NET DEBT	(80,014,351)	(127,926,799)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	456,001,228	431,067,774
Work in progress	25,880,644	32,415,004
Properties acquired at tax sale	1,585,197	1,585,197
Inventory, prepaid expenses and other	2,159,269	2,228,725
	485,626,338	467,296,700
FUND BALANCES (note 10)	\$ 405,611,987	\$ 339,369,901

Contingencies (note 13)

See accompanying notes to consolidated financial statements.

On behalf of the Cape Breton Regional Municipality

_____ Mayor

_____ Clerk

Cape Breton Regional Municipality Consolidated Statement of Financial Activities

For the year ended March 31, 2022

	Budget (Unaudited)	2022	2021
REVENUES			
Taxes	\$ 114,975,389	\$ 118,064,148	\$ 114,286,696
Grants in lieu of taxes	9,598,788	9,436,816	9,518,894
Services provided to other governments	801,140	801,142	794,749
Sales of services	3,365,500	1,796,453	1,017,072
Revenue from own sources	5,558,377	6,260,059	5,269,584
Unconditional transfers from other governments	15,835,838	31,175,896	16,209,117
Conditional transfers from other governments	4,305,887	4,631,957	4,476,256
Capital grants	–	46,285,894	27,949,259
Water Utility revenue	19,634,619	20,119,683	19,915,495
Investment income	–	112,102	131,516
Port of Sydney Development Corporation	625,473	703,090	536,287
Gain on sale of properties	–	5,094,938	666,484
Covid assistance	1,750,000	–	3,918,775
	176,451,011	244,482,178	204,690,184
EXPENSES			
General government services	19,513,849	15,503,740	16,341,235
Protective services	48,064,109	47,362,953	45,895,760
Transportation services	37,060,410	44,190,601	40,859,313
Environmental health services	18,941,967	21,978,260	19,359,481
Public health and welfare services	2,498,926	2,320,861	2,315,534
Environmental development services	1,322,017	1,351,472	991,767
Recreation and cultural services	11,409,670	11,558,525	11,093,279
Planning and development services	–	736,471	399,179
Educational services	15,282,089	15,282,089	14,871,660
Port of Sydney Development Corporation	1,193,494	1,586,256	1,349,462
Water Utility expenses	13,872,824	16,277,792	15,311,076
	169,159,355	178,149,020	168,787,746
Excess of revenues over expenses before the following	7,291,656	66,333,158	35,902,438
NET FINANCING AND TRANSFERS			
Amortization of bond discount	(130,000)	(91,072)	(87,285)
CHANGE IN FUND BALANCES	\$ 7,161,656	66,242,086	35,815,153
FUND BALANCES, BEGINNING OF YEAR		339,369,901	303,554,748
FUND BALANCES, END OF YEAR		\$ 405,611,987	\$ 339,369,901

See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality
Consolidated Statement of Change in Net Debt

For the year ended March 31, 2022

	2022	2021
CHANGE IN FUND BALANCES	\$ 66,242,086	\$ 35,815,153
Tangible capital assets		
Acquisition of tangible capital assets	(45,265,735)	(44,031,833)
Proceeds on disposal of tangible capital assets	5,094,938	666,484
Amortization of tangible capital assets	20,332,281	20,398,413
Gain on disposal of tangible capital assets	(5,094,938)	(666,484)
	<u>(24,933,454)</u>	<u>(23,633,420)</u>
Other non-financial assets		
Increase in work in progress	6,534,360	2,561,389
Decrease in inventory, prepaid expenses and other	69,456	456,317
	<u>6,603,816</u>	<u>3,017,706</u>
DECREASE IN NET DEBT	47,912,448	15,199,439
NET DEBT, BEGINNING OF YEAR	(127,926,799)	(143,126,238)
NET DEBT, END OF YEAR	<u>\$ (80,014,351)</u>	<u>\$ (127,926,799)</u>

See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality Consolidated Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in fund balances	\$ 66,242,086	\$ 35,815,153
Items not involving cash		
Amortization of tangible capital assets	20,332,281	20,398,413
Gain on disposal of tangible capital assets	(5,094,938)	(666,484)
Change in non-cash working capital		
Taxes receivable	(1,934,621)	782,138
Accounts receivable	(3,596,542)	2,314,470
Inventory, prepaid expenses and other	69,456	456,317
Accounts payable and accrued liabilities and accrued interest	3,035,607	(1,689,277)
Solid waste management facilities liability	1,727,819	(2,553)
Deferred revenue	(4,270)	208,639
Accrued employee benefits	88,772	42,598
	80,865,650	57,659,414
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in due from trust fund	(748,635)	2,709,139
Issuance of long-term debt	19,941,740	42,252,896
Principal payments on long-term debt	(25,614,068)	(13,744,369)
Repayment of capital lease	(66,036)	(64,148)
	(6,486,999)	31,153,518
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(45,265,735)	(44,031,833)
Proceeds on disposal of tangible capital assets	5,094,938	666,484
Decrease in work in progress	6,534,360	2,561,389
	(33,636,437)	(40,803,960)
INCREASE IN CASH AND CASH EQUIVALENTS	40,742,214	48,008,972
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,280,380	(8,728,592)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 80,022,594	\$ 39,280,380

See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements of the Cape Breton Regional Municipality (the "Municipality") have been prepared, in all material respects, in accordance with Canadian public sector accounting standards.

(b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances of all funds of the Municipality. The Municipality is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and that are owned or controlled by the Municipality. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- Operating, capital and reserve funds of the Cape Breton Regional Municipality
- Operating, capital and reserve funds of the Cape Breton Regional Municipality Water Utility
- Port of Sydney Development Corporation

(c) School boards

The assets, liabilities, taxation and other revenues and expenses with respect to the operations of the school boards are not reflected in these consolidated financial statements as they are provincial government entities.

School boards in Nova Scotia were created by the Province under provisions in the Education Act, and, under provincial statute, every municipality is required to make a mandatory contribution to its school board. The mandatory contribution is set at the value of the Education Rate, set by the Province each year, multiplied by the previous year's Uniform Assessment. The funding for this contribution to the Cape Breton-Victoria Regional Centre for Education are recovered by the municipality by an area rate levied on the assessed value of the taxable property and business occupancy assessments and is shown as an expense on the consolidated statement of financial activities.

(d) Trust funds

Trust funds and their related operations administered by the Municipality are not included in the consolidated financial statements, but are reported separately in the Trust Funds financial statements.

(e) Fund accounting

The resources and operations of the Municipality are comprised of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of accounting

Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(g) Cash and cash equivalents

The Municipality considers cash on hand, deposits held in banks net of outstanding cheques and deposits and temporary lines of credit and overdrafts as cash and cash equivalents.

(h) Tangible capital assets

Tangible capital assets acquired since amalgamation on August 1, 1995 are reported in the statement of financial position at cost net of accumulated amortization. All tangible capital assets acquired prior to amalgamation have been written off. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

	Basis	Rate
General Fund		
Buildings	Straight-line	40 years
Equipment	Straight-line	5-10 years
Streets	Straight-line	50 years
Sidewalks	Straight-line	20 years
Traffic lights	Straight-line	20 years
Recreation facilities	Straight-line	5-40 years
Industrial parks	Straight-line	40 years
Waterfront development	Straight-line	50 years
Wharf – Sydney Marine Terminal	Straight-line	25 years
Garbage collection and disposal	Straight-line	25 years
Sewer collection and disposal	Straight-line	50 years
Water fund		
Structures and improvements	Straight-line	75 years
Equipment	Straight-line	5-20 years
Mains	Straight-line	75 years
Services and other	Straight-line	50 years
Meters	Straight-line	20 years
Hydrants	Straight-line	50 years
Port of Sydney Development Corporation		
Equipment and signs	Declining balance	20 – 30%
Building	Declining balance	5%
Compound	Declining balance	5%
Exhibits	Declining balance	20%
Computer equipment	Declining balance	30%

A full year's amortization is taken in the year of acquisition.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Reserve funds

Certain amounts, as approved by Council of the Municipality, are set aside in reserve funds for future operating and capital purposes. Transfers to and or from reserves funds are an adjustment to the respective fund when approved.

(j) Government transfers

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(k) Deferred revenue

Deferred revenue represents user charges, prepayment of taxes, and other fees that have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(l) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Province. Tax rates are established annually by Council, incorporating amounts to be raised for local services and the requisition made by the Province in respect of education taxes. Taxation revenues are recorded at the time tax billings are due. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. An allowance for unresolved assessment appeals is also provided.

(m) Port of Sydney Development Corporation revenue recognition

The Port of Sydney Development Corporation recognizes revenue from the commercial operations of the Port of Sydney is recognized when the services are provided and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Amounts received in advance of the provision of services are recorded as deferred revenue.

Restricted contributions for the purchase of capital assets are recognized in the year in which the capital assets have been purchased and all liabilities relating to the asset have been cleared. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(n) Employee future benefits

Employees of the Municipality participate in the Public Service Superannuation Plan ("PSSP"), a contributory pension plan administered by the Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. The Municipality is not obligated for any unfunded liability, nor is the Municipality entitled to any surplus that may arise in the PSSP. Employer contributions are recognized as an expense in the period.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenses in the consolidated financial statements and accompanying notes. Significant items subject to management's estimates and assumptions include the valuation of solid waste management facilities liabilities. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS (CHEQUES ISSUED IN EXCESS OF FUNDS ON DEPOSIT)

	2022	2021
Operating funds	\$ 45,680,283	\$ 47,674,795
Reserves funds	61,250,926	28,486,722
Capital funds	(27,639,589)	(37,852,750)
Port of Sydney Development Corporation	730,974	971,613
	\$ 80,022,594	\$ 39,280,380

3. TAXES RECEIVABLE

	2022	2021
Gross taxes receivable, beginning of year	\$ 17,661,396	\$ 17,723,084
Current year's levy of property taxes	112,194,126	110,266,117
Subtotal	129,855,522	127,989,201
Less		
Current year's collections	110,150,733	110,927,340
Reduced taxes	108,773	120,915
Allowance	(551,264)	(720,450)
Gross taxes receivable, end of year	20,147,280	17,661,396
Less		
Allowance for uncollectible taxes	3,074,891	2,523,628
Taxes receivable, net	\$ 17,072,389	\$ 15,137,768

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements

For the year ended March 31, 2022

4. ACCOUNTS RECEIVABLE

	2022	2021
Federal government	\$ 5,316,719	\$ 3,708,036
Provincial government	5,332,467	4,160,307
Due from general public	2,212,058	1,815,347
Water rates receivable	10,571,319	9,927,638
	<u>23,432,563</u>	<u>19,611,328</u>
Less allowance for doubtful accounts		
Operating	893,578	715,967
Water rates	895,329	848,247
	<u>1,788,907</u>	<u>1,564,214</u>
	<u>\$ 21,643,656</u>	<u>\$ 18,047,114</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade accounts payable	\$ 21,869,497	\$ 17,887,453
Payroll and related	1,892,191	1,461,847
Accrued liabilities	5,433,583	7,103,728
Tax sale trust	2,999,270	2,705,906
	<u>\$ 32,194,541</u>	<u>\$ 29,158,934</u>

6. SOLID WASTE MANAGEMENT FACILITIES LIABILITIES

The Nova Scotia Environmental Protection Act established regulatory requirements for the closure and long-term maintenance of landfill sites. A requirement of the Act is that the Municipality is required to plan and provide closure and post closure maintenance of their landfill sites.

Within the former municipal units of the CBRM, there were six major former municipal landfills operated by these units. The included Sydney landfill, County of Cape Breton landfill & incineration facility, Woodbine landfill operated by the County of Cape Breton, No. 11 landfill in Glace Bay, the Louisbourg landfill, New Waterford landfill operated near Scotchtown and seven other small sites in Dominion, Sydney Mines and Glace Bay.

Two of the larger landfills, Sydney landfill and the No. 11 landfill in Glace Bay were considered properly closed in the 1990's, however, there are still 4 somewhat major landfills and several small sites that require varying degrees of monitoring and/or closure activities as per the regulations.

Cape Breton Regional Municipality Notes to Consolidated Financial Statements

For the year ended March 31, 2022

6. SOLID WASTE MANAGEMENT FACILITIES LIABILITIES (CONTINUED)

Activities required for these sites vary and include but are not limited to groundwater monitoring, well installation and monitoring, site delineation, site security, landfill gas delineation, leachate quality monitoring and possible treatment, site capping and general site tidiness.

The assumed estimated cost for proper monitoring, planning, closure and post closure activities for these sites is \$56,294,281 (2021 - \$54,566,462). The estimate is based on the costs per hectare associated with the closure of the Sydney landfill extrapolated over remaining hectares to be closed, adjusted for inflationary considerations and discounted to current values.

7. CAPITAL LEASE

	2022	2021
Bank of Montreal, 2.50%, repayable in monthly instalments of principal and interest of \$5,671 commencing December 2016, maturing November, 2022	\$ 44,949	\$ 110,985

Minimum lease payments required in the next year under capital lease are as follows:

Year ended March 31, 2023	\$	46,212
Interest included in minimum payments		1,263
	\$	44,949

8. LONG-TERM DEBT

The schedule attached to these consolidated financial statements details the various terms and conditions related to the long-term debt.

Principal payments required in each of the next five years on debt held as at March 31, 2022 are as follows:

2023	\$	30,727,742
2024		28,361,043
2025		8,808,474
2026		11,228,474
2027		6,228,474

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements

For the year ended March 31, 2022

9. TANGIBLE CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 14,077,203	\$ —	\$ 14,077,203	\$ 11,496,581
Buildings				
General government services	9,733,954	3,733,301	6,000,653	6,020,117
Protective services	18,959,407	2,834,839	16,124,568	11,229,382
Transportation services	11,441,645	3,189,673	8,251,972	8,450,209
Environmental services	33,238,344	12,446,388	20,791,956	21,622,914
Recreation and cultural services	29,271,865	7,201,606	22,070,259	22,136,856
Industrial parks	1,084,104	556,712	527,392	554,494
	<u>103,729,319</u>	<u>29,962,519</u>	<u>73,766,800</u>	<u>70,013,972</u>
Equipment				
General government services	3,007,560	2,908,024	99,536	—
Protective services	19,168,195	17,377,528	1,790,667	2,054,269
Public works	46,640,219	33,230,743	13,409,476	12,249,719
Environmental health services	13,850,203	13,794,609	55,594	72,730
Recreation and cultural services	1,921,819	1,728,479	193,340	255,275
	<u>84,587,996</u>	<u>69,039,383</u>	<u>15,548,613</u>	<u>14,631,993</u>
Other				
General government services	742,494	742,494	—	—
Road transport	204,095,551	78,112,784	125,982,767	120,844,994
Environmental health services	111,695,546	32,572,869	79,122,677	79,120,694
Recreation and cultural services	24,968,333	23,424,961	1,543,372	2,263,664
Waterfront development	8,975,401	4,471,404	4,503,997	4,674,517
Downtown development	1,697,526	438,071	1,259,455	1,294,019
Wharf – Sydney Marine Terminal	22,253,546	1,977,678	20,275,868	4,580,152
Water utility assets	180,701,268	65,253,819	115,447,449	117,314,187
Port of Sydney Development Corporation assets	11,190,694	6,717,667	4,473,027	4,833,001
	<u>566,320,359</u>	<u>213,711,747</u>	<u>352,608,612</u>	<u>334,925,228</u>
	<u>\$ 768,714,877</u>	<u>\$ 312,713,649</u>	<u>\$ 456,001,228</u>	<u>\$ 431,067,774</u>

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

10. FUND BALANCES

	2022	2021
General operating fund	\$ (61,790,811)	\$ (60,717,652)
Water operating fund	6,914,927	6,568,351
General capital fund	291,696,589	268,500,853
Water capital fund	101,557,631	96,619,980
Port of Sydney Development Corporation	4,018,078	4,529,534
	342,396,414	315,501,066
Reserves set aside by council	63,215,573	23,868,835
	\$ 405,611,987	\$ 339,369,901

11. EMPLOYEE FUTURE BENEFITS

a) Defined benefit plan

On January 26, 2018, the Municipality signed a transfer agreement with Public Service Superannuation Plan Trustee Incorporated ("PSSPTI") to transition its pension plan to the PSSP, a contributory multi-employer defined benefit pension plan administered by the PSSPTI, which provides pension benefits based on length of service and earnings. Prior to this, the Municipality Pension Plan was a defined benefit pension plan covering substantially all of its employees.

The PSSP is accounted for as a defined contribution plan as the obligation to pay retirement obligations does not reside with the Municipality.

Contributions to the Plan are required by both the employer and its employees. Total employer contributions for 2022 were \$4,792,753 (2021 - \$4,657,655) and are recognized as an expense in the period.

b) Defined Contribution Plan

The Cape Breton Regional Municipality also provides a defined contribution pension plan. Members of this plan and employees of the former municipalities prior to amalgamation in 1995 and part time employees to which compulsory membership is not directed to the PSSP Plan. The contribution rate is funded equally.

The contribution for the year amounts to approximately \$149,024 (2021 - \$141,402).

c) Municipal clerks' pension

The Municipality is required, under provisions of the Municipal Government Act of the Province of Nova Scotia, to provide a non-contributory defined pension plan for Municipal Clerks in respect of years of service to March 31, 1993.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

11. EMPLOYEE FUTURE BENEFITS (CONTINUED)

The liability will be periodically adjusted based on triennial actuarial valuation and differences, if any, between the actuarially determined liability and the liability as otherwise determined. This adjustment will be charged to future operations.

Based on the 2013 valuation, the Municipality had a plan surplus of \$59,000 on a going concern basis.

d) Other

The Municipality directly provides pension arrangements in respect of former employees. The cost of such pensions for the year was approximately \$181,631 (2021 - \$195,772).

12. MISCELLANEOUS TRUST FUNDS

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2022 are nil (2021 - \$737,818).

13. CONTINGENCIES

a) As of March 31, 2022, there are a number of claims against the Municipality and its consolidated entities in varying amounts and for which provisions have been made in these financial statements as appropriate. It is not possible to determine the amounts that may ultimately be assessed against the Municipality with respect to these claims, but management believes that any such amounts would not have a material impact on the financial position of the Municipality.

b) The Municipality is the plaintiff in various proceedings, which have arisen, in the normal course of carrying on its operations. It is not possible at this time to determine the amounts the Municipality may receive with respect to these claims.

c) The Municipality has guaranteed a number of loans on behalf of various fire departments within CBRM. The total amount outstanding on these loans at March 31, 2022 is \$1,155,548 (2021 - \$1,218,349).

d) The Municipality has guaranteed working capital borrowing on behalf of Seaview Manor Corporation at March 31, 2022 up to \$200,000 (2021 - \$200,000).

e) Canadian Environmental Guidelines

Per regulations set forth by the Canadian Council of Ministers of the Environment (CCME) and required by the Nova Scotia Department of Environment, the Municipality is currently in the process of performing environmental risk assessments to meet necessary wastewater treatment guidelines. Upon completion, the timeline and estimated cost to meet these guidelines will be more definitive. The Municipality has obtained transitional authorizations extending to 2040.

As at March 31, 2022, the Municipality is not in compliance with certain CCME requirements.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

14. TRANSFERS TO PROVINCIAL BOARDS AND COMMISSIONS

(a) Cape Breton Island Housing Authority

The Municipality shared in the operations of the Authority for the year ended March 31, 2022 in the amount of \$2,136,004 (2021 - \$2,157,152).

(b) Assessment Services

The Municipality is required to pay a share of the cost of operating the provincial assessment system based on the total provincial assessment cost times the average of the Municipality's share of the Uniform Assessment and the Municipality's share of assessment accounts. For the year ended March 31, 2022, the Municipality's share of these costs was \$1,390,867 (2021 - \$1,407,843).

(c) Correctional Services

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution is set by Provincial formula. For the year ended March 31, 2022, the Municipality's contribution for these costs was \$1,066,680 (2021 - \$1,070,466).

(d) The Cape Breton-Victoria Regional Centre for Education

The Municipality provided a mandatory contribution in the amount of \$15,282,089 (2021 - \$14,871,660) to the Cape Breton-Victoria Regional Centre for Education.

15. PORT OF SYDNEY DEVELOPMENT CORPORATION TRUST

On June 17, 2014, Enterprise Cape Breton Corporation, acting on behalf of the dredge oversight committee, entered into an agreement with the Sydney Ports Corporation (now the Port of Sydney Development Corporation) to transfer the remaining funds to lawyers trust for specific purposes. The Port of Sydney Development Corporation draws down the fund in compliance with the agreement.

As of March 31, 2022, \$173,694 (2021 - \$476,429) is being held in trust.

16. FINANCIAL INSTRUMENTS

(a) Fair values

The fair value of the Municipality's financial instruments that are comprised of cash (cheques issued in excess of funds on deposit), taxes receivable, accounts receivable, short-term borrowings, accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

The fair value of long-term debt is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying value.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2022

16. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk

The Municipality is exposed to credit-related losses in the event residents and entities that the Municipality provides services to are unable to fulfill their obligations. The large number of residents and customers minimizes the credit risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality's debentures are long term with fixed range of rates thereby mitigating its interest rate risk.

It is management's opinion that the Municipality is not exposed to significant interest, market or credit risks arising from these financial instruments.

17. COVID-19

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

18. SUBSEQUENT EVENT

In July 2022, the Municipality purchased equipment valued at \$563,400 via capital lease. The lease is repayable in 60 monthly installments of \$10,720 and bears interest at 5.53% per annum.

19. COMPARATIVE FIGURES

Certain 2021 comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

Cape Breton Regional Municipality
Schedule of Long-term Debt
For the year ended March 31, 2022

	Term (years)	Interest rate - %	Matures	Balance March 31/21	Issued	Redeemed	Balance March 31/22
General Fund							
M.F.C.							
31-A-1	10	1.219-3.645	2021	\$ 1,453,000	\$ -	\$ 1,453,000	\$ -
32-B-1	10	0.000-3.160	2022	759,400	-	379,700	379,700
33-B-1	10	0.000-3.614	2023	1,404,803	-	468,269	936,534
34-B-1	10	1.200-3.190	2024	5,320,000	-	1,330,000	3,990,000
35-A-1	10-20	1.040-3.449	2030	3,400,000	-	560,000	2,840,000
36-A-1	10	1.150-2.506	2026	3,746,400	-	624,400	3,122,000
37-A-1	10	1.734-3.073	2027	5,791,800	-	827,400	4,964,400
38-A-1	10	2.490-3.389	2028	9,579,999	-	1,197,500	8,382,499
FCM-1	10	2.250	2028	800,000	-	100,000	700,000
39-A-1	10	2.015 - 2.561	2029	9,225,000	-	1,025,000	8,200,000
40-A-1	10	0.400 - 2.376	2031	-	8,808,140	-	8,808,140
41-A-1	10	0.500 - 2.259	2031	-	11,133,600	-	11,133,600
				41,480,402	19,941,740	7,965,269	53,456,873
M.F.C.							
Promissory note							
	3	1.100	2024	42,252,896	-	14,084,299	28,168,597
Water Fund							
M.F.C.							
27-A-1	15	4.385-4.770	2022	6,401,500	-	914,500	5,487,000
28-A-1	15	3.750-5.088	2023	5,600,000	-	700,000	4,900,000
30-A-1	15	1.510-4.875	2025	7,500,000	-	750,000	6,750,000
33-A-1	10	1.330-2.979	2023	2,400,000	-	800,000	1,600,000
34-A-1	15	1.245-3.792	2029	3,600,000	-	400,000	3,200,000
				25,501,500	-	3,564,500	21,937,000
				\$ 109,234,798	\$ 19,941,740	\$ 25,614,068	\$ 103,562,470

Cape Breton Regional Municipality
Consolidated Schedule of Segment Disclosure
For the year ended March 31, 2022

Segment reporting is designed to assist users in identifying the resources allocated to support the major activities of the municipality and to better understand the performance of segments.

The following schedule provides segment information for the 2022 and 2021 fiscal years. Segment results represent the activities of that segment and are based on the same accounting policies as described in the Significant Accounting Policies as described in Note 1. The Municipality has determined that the following segments represent the major activities of government.

Year ended March 31, 2022	General Government Services	Port of Sydney Development Corporation	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	Water Utility	Total
REVENUES										
Taxation	\$ 76,469,852	\$ -	\$ 18,295,207	\$ 8,017,000	\$ -	\$ -	\$ -	\$ 15,282,089	\$ -	\$ 118,064,148
Grants in lieu of taxes	9,436,816	-	-	-	-	-	-	-	-	9,436,816
Services provided to other governments	-	-	801,142	-	-	-	-	-	-	801,142
Sales of services	51,608	-	-	750,332	-	994,513	-	-	-	1,796,453
Revenue from own sources	2,758,861	703,090	539,118	-	2,900,470	-	61,610	-	-	6,963,149
Unconditional transfers from other governments	31,175,896	-	-	-	-	-	-	-	-	31,175,896
Conditional transfers from other governments	-	371,710	4,260,247	-	-	-	-	-	-	4,631,957
Capital grants	9,222	-	-	9,219,099	36,428,233	629,340	-	-	-	46,285,894
Metered sales	-	-	-	-	-	-	-	-	19,345,910	19,345,910
Other water revenues	-	-	-	-	-	-	-	-	773,773	773,773
Investment income	112,102	-	-	-	-	-	-	-	-	112,102
Gain on sale of properties	144,938	-	4,950,000	-	-	-	-	-	-	5,094,938
	120,159,295	1,074,800	28,845,714	17,986,431	39,328,703	1,623,853	61,610	15,282,089	20,119,683	244,482,178
EXPENSES										
Salaries, wages and benefits	8,150,429	613,060	32,927,030	18,114,949	4,051,267	4,629,336	896,685	-	2,422,635	71,805,391
Interest on long-term debt	372,139	-	165,084	585,204	102,775	139,738	-	-	1,065,842	2,430,782
Materials, goods, supplies and utilities	884,170	289,295	1,498,739	5,867,914	1,954,577	1,942,484	11,787	-	4,500,254	16,949,220
Contracted services	772,140	129,013	733,309	7,194,720	10,682,925	578,213	240,598	-	1,822,035	22,152,953
Other operating expenses	3,655,063	191,716	9,586,303	3,479,724	2,101,857	1,659,120	202,402	-	2,737,911	23,614,096
External transfers and grants	3,711,728	-	1,066,680	-	-	803,800	-	15,282,089	-	20,864,297
Amortization	278,932	363,172	1,385,808	8,948,090	3,084,859	1,805,834	736,471	-	3,729,115	20,332,281
	17,824,601	1,586,256	47,362,953	44,190,601	21,978,260	11,558,525	2,087,943	15,282,089	16,277,792	178,149,020
ANNUAL SURPLUS (DEFICIT)	\$ 102,334,694	\$ (511,456)	\$ (18,517,239)	\$ (26,204,170)	\$ 17,350,443	\$ (9,934,672)	\$ (2,026,333)	\$ -	\$ 3,841,891	\$ 66,333,158

Cape Breton Regional Municipality
Consolidated Schedule of Segment Disclosure
For the year ended March 31, 2022

Year ended March 31, 2021	General Government Services	Port of Sydney Development Corporation	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	Water Utility	Total
REVENUES										
Taxation	\$ 73,964,787	\$ -	\$ 17,695,876	\$ 7,754,373	\$ -	\$ -	\$ -	\$ 14,871,660	\$ -	\$ 114,286,696
Grants in lieu of taxes	9,518,894	-	-	-	-	-	-	-	-	9,518,894
Services provided to other governments	-	-	794,749	-	-	-	-	-	-	794,749
Sales of services	30,083	-	-	256,713	-	730,276	-	-	-	1,017,072
Revenue from own sources	2,155,410	536,287	697,558	-	2,366,479	-	50,137	-	-	5,805,871
Unconditional transfers from other governments	15,789,117	420,000	-	-	-	-	-	-	-	16,209,117
Conditional transfers from other governments	132,032	63,754	4,280,470	-	-	-	-	-	-	4,476,256
Capital grants	-	-	-	8,965,282	17,293,041	1,690,936	-	-	-	27,949,259
Metered sales	-	-	-	-	-	-	-	-	-	19,353,213
Other water revenues	-	-	-	-	-	-	-	-	19,353,213	562,282
Investment income	131,516	-	-	-	-	-	-	-	-	131,516
Gain on sale of properties	666,484	-	-	-	-	-	-	-	-	666,484
Disaster recovery	3,918,775	-	-	-	-	-	-	-	-	3,918,775
	106,307,098	1,020,041	23,468,653	16,976,368	19,659,520	2,421,212	50,137	14,871,660	19,915,495	204,690,184
EXPENSES										
Salaries, wages and benefits	7,907,908	524,333	35,756,778	16,428,427	3,837,387	4,167,804	795,508	-	2,182,973	71,601,118
Interest on long-term debt	523,780	-	234,767	568,717	173,060	210,777	-	-	1,209,151	2,920,252
Materials, goods, supplies and utilities	819,874	163,751	1,598,129	6,040,312	1,901,548	1,415,413	13,888	-	4,623,406	16,576,321
Contracted services	1,183,903	58,215	787,997	6,966,397	7,774,955	402,201	(9,587)	-	1,129,834	18,293,915
Other operating expenses	4,257,835	183,724	4,756,441	2,345,088	2,619,998	1,746,868	191,958	-	2,470,410	18,572,322
External transfers and grants	3,723,377	-	1,070,466	-	-	759,902	-	14,871,660	-	20,425,405
Amortization	240,092	419,439	1,691,182	8,510,372	3,052,533	2,390,314	399,179	-	3,695,302	20,398,413
	18,656,769	1,349,462	45,895,760	40,859,313	19,359,481	11,093,279	1,390,946	14,871,660	15,311,076	168,787,746
ANNUAL SURPLUS (DEFICIT)	\$ 87,650,329	\$ (329,421)	\$ (22,427,107)	\$ (23,882,945)	\$ 300,039	\$ (8,672,067)	\$ (1,340,809)	\$ -	\$ 4,604,419	\$ 35,902,438

Cape Breton Regional Municipality
Schedule of Remuneration and Reportable Expenses of Council

For the year ended March 31, 2022

Council	Annual Remuneration	Travel Expenses
D. Bruckschwaiger	\$ 50,688	\$ 412
J. Edwards	50,688	1,383
L. Green	50,688	-
S. Gillespie	50,688	311
C. MacDonald	50,688	905
E. MacDonald	50,688	850
G. D. MacDonald	50,688	570
E. MacMullin (Deputy Mayor)	55,688	1,858
A. McDougall (Mayor)	148,182	15,140
D. O'Quinn	50,688	285
S. Parsons	50,688	1,521
G. Paruch	50,688	692
K. Tracey	50,688	235

Cape Breton Regional Municipality
Schedule of Remuneration and Reportable Expenses of Senior Staff

For the year ended March 31, 2022

Senior Staff	Annual Remuneration	Reportable Expenses
D. Campbell	\$ 116,076	\$ 1,805
J. Campbell	132,678	2,174
D. Evely	132,678	983
D. Kachafanas	132,678	936
W. MacDonald	143,546	3,493
J. MacKinnon	189,008	4,115
W. Murphy	121,242	2,270
M. Ruus	131,715	1,835
M. Seth	158,005	973
M. Walsh	230,948	4,247
R. Walsh	176,092	730

Cape Breton Regional Municipality
Schedule of Operating Fund and Change in Fund Balance
For the year ended March 31, 2022
(Unaudited)

	2022	2021
REVENUES		
Taxes	\$ 118,064,148	\$ 114,286,696
Grants in lieu of taxes	9,436,816	9,518,894
Services provided to other governments	801,142	794,749
Sales of services	1,796,453	1,017,072
Revenue from own sources	11,211,569	10,221,094
Unconditional transfers from other governments	31,175,896	15,789,117
Conditional transfers from other governments	4,260,247	4,412,501
Extraordinary revenue	-	3,918,775
	<u>176,746,271</u>	<u>159,958,898</u>
EXPENSES		
General government services	15,224,793	16,101,127
Protective services	53,053,536	51,280,969
Transportation services	35,242,511	32,348,941
Environmental health services	18,893,401	16,306,948
Public health and welfare services	2,320,861	2,315,534
Environmental development services	1,351,472	991,767
Recreation and cultural services	9,752,691	8,702,965
Educational services	15,282,089	14,871,660
	<u>151,121,354</u>	<u>142,919,911</u>
Excess of revenues over expenses before the following	25,624,917	17,038,987
FINANCING AND TRANSFERS		
Debenture and term loan principal instalments	(7,965,269)	(10,179,869)
Transfer to special reserve funds	(16,821,368)	(5,243,687)
Transfer to general capital fund	(1,852,912)	(1,466,680)
Amortization of bond discount	(58,527)	(54,740)
	<u>(26,698,076)</u>	<u>(16,944,976)</u>
CHANGE IN FUND BALANCE	(1,073,159)	94,011
FUND BALANCE, BEGINNING OF YEAR	(60,717,652)	(60,811,663)
FUND BALANCE, END OF YEAR	<u>\$ (61,790,811)</u>	<u>\$ (60,717,652)</u>

Cape Breton Regional Municipality
Schedule of Water Utility Operating Fund and Change in Fund Balance
For the year ended March 31, 2022
(Unaudited)

	2022	2021
OPERATING REVENUES		
Metered sales	\$ 19,345,910	\$ 19,353,217
Public fire protection	7,076,391	7,076,387
Consumer's interest	661,977	554,682
	<u>27,084,278</u>	<u>26,984,286</u>
OPERATING EXPENSES		
Source of supply	500,111	419,384
Power and pumping	1,827,573	1,820,037
Water treatment	4,506,364	4,286,048
Transmission and distribution	4,732,871	4,063,697
Administration and general	2,856,054	2,775,844
Taxes	1,987,221	1,987,081
	<u>16,410,194</u>	<u>15,352,091</u>
Excess of revenues over expenses before the following	10,674,084	11,632,195
NON-OPERATING REVENUES		
Miscellaneous	111,796	7,602
NON-OPERATING EXPENSES		
Interest on debentures	1,065,842	1,209,151
Amortization of debt discounts	32,545	32,545
Other	24,151	6,042
Transfer to water capital fund	8,666,766	7,409,802
Transfer to general capital fund	650,000	650,000
	<u>10,439,304</u>	<u>9,307,540</u>
CHANGE IN FUND BALANCE	346,576	2,332,257
FUND BALANCE, BEGINNING OF YEAR	6,568,351	4,236,094
FUND BALANCE, END OF YEAR	<u>\$ 6,914,927</u>	<u>\$ 6,568,351</u>

Cape Breton Regional Municipality
Schedule of Capital Fund and Change in Fund Balance
For the year ended March 31, 2022
(Unaudited)

	2022	2021
REVENUES		
Capital grants	\$ 14,463,770	\$ 18,156,360
Gain on disposal of assets	4,250,000	-
	<u>18,713,770</u>	<u>18,156,360</u>
EXPENSES		
General government services	278,932	240,093
Protective services	1,385,808	1,691,182
Transportation services	8,948,090	8,510,372
Environmental health services	3,084,859	3,052,533
Recreation and cultural services	1,805,834	2,390,314
Planning and development services	736,471	399,179
	<u>16,239,994</u>	<u>16,283,673</u>
Excess of revenues over expenses before the following	2,473,776	1,872,687
FINANCING AND TRANSFERS		
Transfer from reserve funds	10,253,779	8,667,259
Transfer from general operating fund	1,852,912	1,466,680
Transfer from water operating fund	650,000	650,000
Debenture and term loan principal instalments	7,965,269	10,179,869
	<u>20,721,960</u>	<u>20,963,808</u>
CHANGE IN FUND BALANCE	23,195,736	22,836,495
FUND BALANCE, BEGINNING OF YEAR	268,500,853	245,664,358
FUND BALANCE, END OF YEAR	<u>\$ 291,696,589</u>	<u>\$ 268,500,853</u>

Cape Breton Regional Municipality
Schedule of Water Utility Capital Fund and Change in Fund Balance
For the year ended March 31, 2022
(Unaudited)

	2022	2021
REVENUES		
Capital grants	\$ -	\$ -
EXPENSES		
Amortization	3,729,115	3,695,302
Deficiency of revenues over expenses before the following	(3,729,115)	(3,695,302)
FINANCING AND TRANSFERS		
Transfer from water operating fund	8,666,766	7,409,802
CHANGE IN FUND BALANCE	4,937,651	3,714,500
FUND BALANCE, BEGINNING OF YEAR	96,619,980	92,905,480
FUND BALANCE, END OF YEAR	\$ 101,557,631	\$ 96,619,980

Cape Breton Regional Municipality
Schedule of Port of Sydney Development Corporation Operating Fund and
Change in Fund Balance

For the year ended March 31, 2022

(Unaudited)

	Budget (Unaudited)	2022	2021
REVENUES			
Wharfage and berthage	\$ 360,941	\$ 427,711	\$ 352,977
Passenger tax			-
Events	48,400	51,763	15,516
Security	57,465	65,679	56,425
Storage and rental	133,817	144,380	103,903
Sundry	4,850	13,557	7,466
Government funding	20,000	371,710	483,754
	<u>625,473</u>	<u>1,074,800</u>	<u>1,020,041</u>
EXPENSES			
Advertising and promotion	10,610	10,860	10,889
Bad debts	1,000	1,655	-
Cruise activities	17,650	321	1,588
Dues and fees	39,226	8,564	26,131
Events	2,600	2,149	870
Insurance	53,300	52,070	52,409
Interest and bank charges	3,270	3,990	3,168
Miscellaneous	4,200	5,830	4,465
Office and administration	7,787	8,167	7,877
Professional fees	35,200	129,013	58,215
Rent	52,320	52,320	47,960
Repairs and maintenance	144,331	105,527	27,570
Security	43,326	45,115	35,230
Travel	4,000	10,992	1,886
Utilities	157,880	173,452	127,432
Wages and benefits	616,794	613,059	524,333
	<u>1,193,494</u>	<u>1,223,084</u>	<u>930,023</u>
Excess (deficiency) of revenues over expenses before the following	(568,021)	(148,284)	90,018
Amortization of capital assets	(400,000)	(363,172)	(419,438)
CHANGE IN FUND BALANCE	\$ (968,021)	(511,456)	(329,420)
FUND BALANCE, BEGINNING OF YEAR		4,529,534	4,858,954
FUND BALANCE, END OF YEAR		\$ 4,018,078	\$ 4,529,534

Cape Breton Regional Municipality
Schedule of Reserve Funds and Change in Fund Balance
For the year ended March 31, 2022
(Unaudited)

	2022	2021
REVENUES		
Investment income	\$ 112,329	\$ 121,583
Sale of properties	844,938	666,484
Grants	31,822,124	9,792,899
	<u>32,779,391</u>	<u>10,580,966</u>
FINANCING AND TRANSFERS		
Transfer from operating fund	16,821,368	5,243,687
Transfer to capital funds	(10,253,779)	(8,667,259)
	<u>6,567,589</u>	<u>(3,423,572)</u>
CHANGE IN FUND BALANCE	39,346,980	7,157,394
FUND BALANCE, BEGINNING OF YEAR	21,820,659	14,663,265
FUND BALANCE, END OF YEAR	\$ 61,167,639	\$ 21,820,659

Cape Breton Regional Municipality
Schedule of Water Utility Reserve Funds and Change in Fund Balance
For the year ended March 31, 2022
(Unaudited)

	2022	2021
REVENUES		
Investment income	\$ (242)	\$ 9,933
CHANGE IN FUND BALANCE	(242)	9,933
FUND BALANCE, BEGINNING OF YEAR	2,048,176	2,038,243
FUND BALANCE, END OF YEAR	\$ 2,047,934	\$ 2,048,176