

**Cape Breton Regional Municipality
Consolidated Financial Statements**

March 31, 2024

Cape Breton Regional Municipality
Consolidated Financial Statements
For the year ended March 31, 2024

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To His 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 2-23 which comprise the consolidated statement of financial position as at March 31, 2024, 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, 2024, and the results of its consolidated financial activities, 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 25 - 33 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
February 5, 2025

MNP LLP
Chartered Professional Accountants

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 2 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

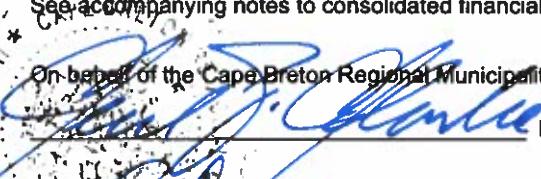
Cape Breton Regional Municipality
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 24,119,415	\$ 52,428,301
Taxes receivable (note 4)	18,393,385	16,332,757
Accounts receivable (note 5)	40,922,629	33,868,127
Due from trust fund (note 13)	—	—
	83,435,429	102,629,185
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 6)	38,829,290	37,883,065
Due to trust funds (Note 13)	—	17,064
Deferred revenue	436,158	682,576
Accrued employee benefits	7,343,717	6,186,993
Asset retirement obligation (note 7)	42,721,266	41,430,768
Capital lease (note 8)	381,862	486,232
Long-term debt (note 9)	67,352,632	85,000,433
	157,064,925	171,687,131
NET DEBT	(73,629,496)	(69,057,946)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	475,386,549	466,939,369
Tangible capital assets - work in progress	71,944,713	49,265,230
Properties acquired at tax sale	1,585,197	1,585,197
Inventory, prepaid expenses and other	2,665,631	2,632,146
	551,582,090	520,421,942
ACCUMULATED SURPLUS (note 11)	\$ 477,952,594	\$ 451,363,996

Contingencies (note 15)

See accompanying notes to consolidated financial statements.

* On behalf of the Cape Breton Regional Municipality

 Mayor

 Clerk

Cape Breton Regional Municipality
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	Budget (Note 20)	2024	2023
REVENUES			
Taxes	\$ 130,411,084	\$ 130,655,688	\$ 119,087,257
Grants in lieu of taxes	10,151,336	10,480,435	9,396,051
Services provided to other governments	992,390	919,499	1,145,521
Sales of services	4,599,000	4,806,946	4,172,309
Revenue from own sources	6,072,277	7,564,488	6,875,028
Unconditional transfers from other governments	15,835,838	15,777,701	15,851,979
Conditional transfers from other governments	3,744,926	4,692,960	4,754,023
Capital grants	—	21,627,736	28,941,146
Water Utility revenue	19,634,619	21,488,839	20,322,661
Investment income	—	1,313,531	794,255
Port of Sydney Development Corporation	3,133,320	3,566,346	2,301,872
Contributed assets	—	6,928,900	—
Gain on sale of properties	—	179,979	336,330
Disaster recovery	—	2,967,860	6,213,522
	194,574,790	232,970,908	220,191,954
EXPENSES			
General government services	20,577,512	18,809,258	17,022,224
Protective services	52,473,131	51,406,914	49,198,662
Transportation services	42,618,913	52,989,151	56,957,968
Environmental health services	20,632,633	26,423,318	(1,093,515)
Public health and welfare services	2,764,551	3,465,650	2,721,969
Environmental development services	1,336,055	1,182,880	1,226,578
Recreation and cultural services	13,265,898	14,891,487	13,278,176
Planning and development services	—	807,449	762,237
Educational services	16,530,308	16,530,308	15,534,623
Port of Sydney Development Corporation	2,521,976	2,380,052	2,078,014
Water Utility expenses	14,906,708	17,495,843	16,753,009
	187,627,685	206,382,310	174,439,945
ANNUAL SURPLUS	\$ 6,947,105	\$ 26,588,598	45,752,009
ACCUMULATED SURPLUS, BEGINNING OF YEAR		451,363,996	405,611,987
ACCUMULATED SURPLUS, END OF YEAR	\$ 477,952,594	\$ 451,363,996	

See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2024

	Budget (Note 20)	2024	2023
ANNUAL SURPLUS	\$ 6,947,105	\$ 26,588,598	\$ 45,752,009
Tangible capital assets			
Acquisition of tangible capital assets	(68,768,310)	(31,223,916)	(31,820,918)
Proceeds on disposal of tangible capital assets	—	179,979	336,330
Amortization of tangible capital assets	—	22,776,736	20,882,777
Gain on disposal of tangible capital assets	—	(179,979)	(336,330)
	(68,768,310)	(8,447,180)	(10,938,141)
Other non-financial assets			
Increase in work in progress	—	(22,679,483)	(23,384,586)
Increase in inventory, prepaid expenses and other	—	33,485	(472,877)
	(68,768,310)	(22,712,968)	(23,857,463)
DECREASE (INCREASE) IN NET DEBT	\$ (61,521,205)	(4,571,550)	10,956,405
NET DEBT, BEGINNING OF YEAR		(69,057,946)	(80,014,351)
NET DEBT, END OF YEAR		\$ (73,629,496)	\$ (69,057,946)

See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	\$ 26,588,598	\$ 45,752,009
Items not involving cash		
Amortization of tangible capital assets	22,776,736	20,882,777
Contributed assets	(6,928,900)	—
Gain on disposal of tangible capital assets	(179,979)	(336,330)
Change in non-cash working capital		
Taxes receivable	(2,060,628)	739,632
Accounts receivable	(7,054,502)	(12,224,471)
Inventory, prepaid expenses and other	(33,485)	(472,877)
Accounts payable and accrued liabilities and accrued interest	946,225	5,688,524
Solid waste management facilities liability	—	(56,294,281)
Deferred revenue	(246,418)	368,487
Accrued employee benefits	1,156,724	(893,484)
Asset retirement obligation	1,290,498	41,430,768
	36,254,869	44,640,754
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease (increase) in due from trust fund	(17,064)	754,881
Issuance of long-term debt	12,387,057	12,165,705
Principal payments on long-term debt	(30,034,858)	(30,727,742)
Repayment of capital lease	(456,898)	(127,111)
	(18,121,763)	(17,934,267)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(23,942,488)	(31,252,524)
Proceeds on disposal of tangible capital assets	179,979	336,330
Increase in work in progress	(22,679,483)	(23,384,586)
	(46,441,992)	(54,300,780)
DECREASE IN CASH AND CASH EQUIVALENTS	(28,308,886)	(27,594,293)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	52,428,301	80,022,594
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 24,119,415	\$ 52,428,301

SUPPLEMENTAL CASH FLOW INFORMATION

<u>Tangible capital assets acquired through capital leases</u>	\$ 352,528	\$ 568,394
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See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

1. CHANGE IN ACCOUNTING POLICY

Revenue

Effective April 1, 2023, the Municipality adopted the Public Sector Account Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

2. 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) Segment information

The Cape Breton Regional Municipality is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipality services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment information (continued)

General government services

This segment is responsible for the overall local government administration and delivery of public health and welfare services. Its tasks include direction for Municipality services, such as planning, engineering, finance, and information technology in adherence to the Municipal Government Act.

Port of Sydney Development Corporation

This segment is responsible for the operations of the Port of Sydney, through its subsidiary Port of Sydney Development Corporation.

Protective services

This segment is primarily responsible for police, fire protection and bylaw administration for its residents.

Transportation services

The Municipality is responsible for the maintenance of certain local roads, sidewalks and street lights within its jurisdiction.

Environmental health services

This segment is responsible for the maintenance and operations of waste, sewer and stormwater services provided to residents and other customers. Its tasks include the provision of waste collection, recycling and composting through a combination of its own and contracted workforces.

Recreation and cultural services

This segment is responsible for promoting and offering recreation opportunities and activities to the Municipality's residents, specializing in maintaining and assisting recreational facilities within the Municipality such as parks, arenas and libraries.

Development services

This segment is responsible for land use planning, issuance of development permits and approving subdivision applications in accordance with the Municipal Planning Strategy.

Educational services

This segment is responsible for the collection of education rates on behalf of the Province of Nova Scotia.

Water Utility

This segment manages water treatment and distribution facilities and services within the Municipality and includes activities such as plant operation and pumping, water treatment, transmission and distribution.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) 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 School Board 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.

(e) 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.

(f) 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.

(g) Basis of accounting

Revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses 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.

(h) 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.

(i) Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payables and accrued liabilities, due to (from) trust fund and long-term debt.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent measurement

At each reporting date, the Municipality measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Municipality uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenses. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, accounts payables and accrued liabilities, due to (from) trust fund and long-term debt.

Impairment

For financial assets measured at cost or amortized cost, the Municipality regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Municipality determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest or credit risks arising from financial instruments.

A statement of remeasurement gains and losses has not been included in these financial statements as it would not contain any balances or transactions.

(i) 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
<u>Hydrants</u>	<u>Straight-line</u>	<u>50 years</u>

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	Basis	Rate
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%

(j) 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.

(k) Government transfers

The Municipality recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Municipality recognizes revenues as the liability is settled.

(l) 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.

(m) Taxation and other revenues

Property tax billings are prepared by the Municipality based on assessment rolls determined in accordance with Province of Nova Scotia legislation. 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.

Revenue from services to other governments, sale of services and other revenues are recognized at the time when services are performed and/or when earned as long as amounts can be reasonably estimated, and collection is reasonably assured.

(n) 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.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Port of Sydney Development Corporation revenue recognition (continued)

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.

(o) 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.

(p) Use of estimates

The preparation of consolidated 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 revenue and expenses in the consolidated financial statements and accompanying notes.

Amortization is based on the estimated useful lives of tangible capital assets.

Taxes, rates and other receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Asset retirement obligations are recognized based upon assumptions and estimates related to the amount and timing of costs for future removal and site restoration.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become known.

(q) Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal or contractual obligation for the Municipality to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Asset retirement obligation (continued)

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset. For asset retirement obligations associated with tangible capital assets no longer in productive use, the Municipality recognizes an expense of the same amount as the liability.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

3. CASH AND CASH EQUIVALENTS

	2024	2023
Operating funds	\$ (18,155,731)	\$ 11,301,878
Reserves funds	56,993,947	74,487,157
Capital funds	(16,900,708)	(34,397,172)
Port of Sydney Development Corporation	2,181,907	1,036,438
	<hr/> \$ 24,119,415	<hr/> \$ 52,428,301

4. TAXES RECEIVABLE

	2024	2023
Gross taxes receivable, beginning of year	\$ 18,569,304	\$ 20,147,280
Current year's levy of property taxes	125,148,533	113,370,498
Subtotal	143,717,837	133,517,778
Less		
Current year's collections	122,578,119	113,380,421
Reduced taxes	509,786	729,709
Allowance	(358,849)	838,344
Gross taxes receivable, end of year	20,988,781	18,569,304
Less		
Allowance for uncollectible taxes	2,595,396	2,236,547
Taxes receivable, net	\$ 18,393,385	\$ 16,332,757

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

5. ACCOUNTS RECEIVABLE

	2024	2023
Federal government	\$ 9,075,915	\$ 11,259,662
Provincial government	19,638,407	10,689,564
Due from general public	3,670,914	2,556,768
Water rates receivable	11,324,255	10,830,329
	43,709,491	35,336,323
Less allowance for doubtful accounts		
Operating	1,671,281	598,638
Water rates	1,115,581	869,558
	2,786,862	1,468,196
	<hr/> \$ 40,922,629	<hr/> \$ 33,868,127

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade accounts payable	\$ 28,578,312	\$ 27,743,971
Payroll and related	410,681	1,770,039
Accrued liabilities	5,821,240	5,069,883
Tax sale trust	4,019,057	3,299,172
	<hr/> \$ 38,829,290	<hr/> \$ 37,883,065

7. ASSET RETIREMENT OBLIGATIONS

(a) 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 are considered closed, but still require varying degrees of monitoring and/or closure activities as per the regulations.

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.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

7. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

(a) Solid Waste Management Facilities Liabilities (continued)

The assumed estimated cost for proper monitoring, planning, closure and post closure activities for these sites is \$35,374,959 which have been discounted to the present value using a discount rate of 4.00% per annum. 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. Liability is expected to be fulfilled over the next 38 years.

(b) Asbestos obligation

The Municipality owns and operates several buildings that were constructed prior to 1991 which have been included under PS3280-Asset retirement obligations as it is unknown if asbestos is present. The uncertainty could present a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at March 31, 2024. The estimated cost for removal of asbestos have been discounted to the present value using a discount rate of 4.00% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings capital asset carrying value. Liability is expected to be fulfilled over the next 2-37 years.

(c) Wharves

The municipality owns several wharves that fall within PS 3280. Upon retirement of these facilities, there is an obligation to eliminate any environmental impact by removing and disposing of creosote treated lumber. Estimated costs have been discounted to the present value using a discount rate of 4.00% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the wharves capital asset carrying value. Liability will be fulfilled in 18 years.

(d) Refrigerant

The municipality operates several facilities that fall withing PS3280. Upon retirement of these facilities, here is an obligation to eliminate any environmental impact by removing and disposing of ozone depleting refrigerant materials. Estimated costs have been discounted to the present value using a discount rate of 4.00% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings capital asset carrying value. Liability is expected to be fulfilled over the next 13-24 years.

(e) Fuel tanks

The municipality owns and operates several buildings that contain above and underground tanks that fall within PS 3280. Upon retirement of these facilities, there is an obligation to eliminate any environmental impact and restore the land to its prior state. Estimated costs have been discounted to the present value using a discount rate of 4.00% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings capital asset carrying value. Liability will be fulfilled in 2 years.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

7. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

Changes to the asset retirement obligation in the year are as follows:

	2024	2023
Opening balance	\$ 41,430,768	\$ —
Acquired upon adoption	—	41,627,954
Acquired during the year	57,800	—
Accretion expense	1,488,589	52,813
Liabilities settled	(255,891)	(249,999)
	42,721,266	\$ 41,430,768

8. CAPITAL LEASE

	2024	2023
Bank of Montreal, 5.53%, repayable in monthly instalments of principal and interest of \$10,720 commencing July 2022, maturing June, 2027, secured by equipment with a net book value of \$352,528.	\$ 381,862	\$ 486,232
	\$ 381,862	\$ 486,232

Minimum lease payments required in the next 5 (five) years under capital lease are as follows:

Year ended March 31,	
2025	128,642
2026	128,642
2027	128,642
2028	32,160
	418,085
Interest included in minimum payments	36,223
	\$ 381,862

9. LONG-TERM DEBT

The schedule attached to the 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, 2024 are as follows:

2025	\$ 11,973,471
2026	14,393,471
2027	9,393,471
2028	8,769,071
2029	7,027,171

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

10. TANGIBLE CAPITAL ASSETS

		Cost Beginning of Year	Additions and Transfers	Disposals and Write-downs	Cost End of Year	Amortization Beginning of Year	Additions	Disposals	Amortization End of Year	Net Book Value	Net Book Value
Land		\$ 14,262,345	\$ 10,812	\$ -	\$ 14,273,157	\$ -	\$ -	\$ -	\$ 14,273,157	\$ 14,262,345	\$ 14,262,345
Buildings											
General government services	10,351,626	52,587	-	10,404,213	3,994,664	262,688	-	4,257,352	6,146,861	6,356,962	
Protective services	19,309,006	536,906	19,845,912	3,323,288	501,937	3,825,225	-	16,020,687	15,985,718		
Transportation services	11,634,192	210,524	11,844,716	3,481,700	297,290	3,778,980	8,065,726	8,152,492			
Environmental services	33,260,914	20,884	33,281,658	13,277,913	832,068	14,109,981	19,171,677				
Recreation and cultural services	29,299,906	6,960,007	36,259,913	7,935,276	907,670	8,842,946	27,416,967				
Industrial parks	1,084,104	-	1,084,104	583,815	27,103	610,918	473,186				
Asset retirement obligations	688,727	134,257	833,984	-	337,503	496,481	337,503	496,481	689,727		
	105,639,535	7,914,965	-	113,554,500	32,596,656	3,168,259	-	35,762,915	77,791,585	73,042,879	
Equipment											
General government services	3,007,560	-	-	3,007,560	2,941,203	33,179	-	2,974,382	33,178	66,357	
Protective services	21,313,953	836,421	22,150,374	18,462,749	1,261,541	-	19,724,290	2,426,084	2,851,204		
Public works	50,756,986	3,937,393	54,694,389	36,743,795	3,906,716	40,650,511	14,043,878				
Environmental health services	13,865,475	-	13,865,475	13,811,744	17,135	-	13,828,879	36,596	53,731		
Recreation and cultural services	1,921,819	257,168	2,178,987	1,790,415	50,334	1,840,749	338,288				
	90,865,803	5,030,982	-	95,896,785	73,749,906	5,268,905	-	79,018,811	16,877,974	17,115,897	
Other											
General government services	742,494	-	742,494	742,494	-	-	742,494	-	-	-	
Road transport	213,228,576	10,257,393	223,485,989	83,675,573	5,639,713	-	89,315,786	134,170,683	129,553,003		
Environmental health services	116,221,966	1,061,664	117,285,630	34,903,466	2,352,011	37,255,417	80,030,153	81,318,500			
Recreation and cultural services	25,547,829	2,238,891	27,786,720	24,296,432	1,029,171	25,325,803	2,461,117				
Waterfront development	9,149,178	14,779	9,163,957	4,655,639	184,624	4,840,263	4,323,684				
Downtown development	2,528,604	1,703,293	4,231,387	493,946	100,698	594,844	3,637,253				
Wharf – Sydney Marine Terminal	22,253,546	-	22,253,546	2,472,702	495,025	2,967,727	19,285,819				
Asset retirement obligation – CBRM	5,015,770	288,584	5,304,334	-	577,128	577,128	577,128				
Water utility assets	183,626,244	2,564,942	186,191,186	68,960,724	3,655,233	-	72,615,957	113,575,229	114,665,520		
Port of Sydney Development Corporation Assets	11,440,609	135,631	-	11,576,240	7,035,592	307,969	-	7,343,561	4,232,679	4,405,017	
	589,754,816	18,267,157	-	608,021,973	227,236,568	14,341,572	-	241,578,140	366,443,833	357,502,478	
	\$ 800,522,499	\$ 31,223,916	\$ -	\$ 831,746,415	\$ 333,583,130	\$ 22,776,736	\$ -	\$ 356,359,886	\$ 475,386,549	\$ 466,939,369	

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

11. ACCUMULATED SURPLUS

	2024	2023
General operating fund	\$ (6,182,295)	\$ (4,650,518)
Water operating fund	8,814,236	7,149,821
General capital fund	312,610,738	283,621,765
Water capital fund	110,026,885	106,342,731
Port of Sydney Development Corporation	5,582,864	4,392,613
	<u>430,852,428</u>	<u>396,856,412</u>
Reserves set aside by council	47,100,166	54,507,584
	<u><u>\$ 477,952,594</u></u>	<u><u>\$ 451,363,996</u></u>

12. CREDIT FACILITIES

The Municipality has an operating line of credit with the Bank of Montreal of \$44,000,000 (2023 – \$44,000,000) at an annual interest rate of prime minus 1% per annum, repayable on demand. At March 31, 2024, the operating line of credit was undrawn.

The Municipality has a lease facility with the Bank of Montreal of \$2,000,000 available to finance specific equipment up to 100% of its purchase price. Terms of the facility are determined subject to review of the underlying assets to be financed and applicable amortization. The rate is based on market rates available at the time the Municipality enters into a lease agreement. At March 31, 2024 the facility had a balance of \$381,862 (2023 – \$486,232).

13. 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 2024 were \$4,936,535 (2023 - \$4,806,840) and are recognized as an expense in the period.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

13. EMPLOYEE FUTURE BENEFITS (CONTINUED)

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 CBRM DB Plan. The contribution rate is funded equally.

The contributions for 2024 were to \$127,426 (2023 - \$132,672).

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.

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 2024 valuation, the Municipality had a plan surplus of \$53,500 on a going concern basis.

d) **Other**

The Municipality directly provides pension arrangements in respect of former employees. The cost of such pensions for 2024 was \$197,177 (2023 - \$188,157).

14. MISCELLANEOUS TRUST FUNDS

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2024 are \$4,862,176 (2023 - \$5,017,091).

15. CONTINGENCIES

- a) As of March 31, 2024, 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, 2024 is \$963,851 (2023 - \$1,123,471).
- d) The Municipality has guaranteed working capital borrowing on behalf of Seaview Manor Corporation at March 31, 2024 up to \$200,000 (2023 - \$200,000).

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

15. CONTINGENCIES (CONTINUED)

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, 2024, the Municipality is not in compliance with certain CCME requirements.

16. 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, 2024, in the amount of \$3,269,227 (2023 - \$2,534,623).

(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, 2024, the Municipality's share of these costs was \$1,361,309 (2023 - \$1,369,058).

(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, 2024, the Municipality's contribution for these costs was \$1,041,831 (2023 - \$1,054,547).

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

The Municipality provided a mandatory contribution in the amount of \$16,530,308 (2023 - \$15,534,623) to the Cape Breton-Victoria Regional Centre for Education.

17. 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, 2024, \$186,655 (2023 - \$178,185) is being held in trust.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

18. 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 and accrued interest on long-term debt 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.

(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.

19. SUBSEQUENT EVENT

(a) Effective April 1, 2024, the Municipality changed how it charges for the provision of wastewater services. Prior to April 1, 2024, the Municipality levied a sewer tax rate, and recorded the revenues and expenditures associated with the service in CBRM's Schedule of Operating Fund. As of April 1, 2024, the municipality levies a consumption charge, and records the revenues and expenditures associated with the service in its Schedule of Water Utility Operating Fund.

(b) Effective April 1, 2024, the Port of Sydney Development Corporation (PSDC) and the Municipality entered into 15 year lease to operate the Sydney Marine Terminal. The revised Articles of Association grants the Board of the PSDC authority to operate under a governance structure independent of CBRM Council, therefore its results of operations will no longer form part of these consolidated financial statements.

20. BUDGET INFORMATION

The disclosed budget information has been approved by the Mayor and Council at the council meeting on April 16, 2023.

Cape Breton Regional Municipality
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

21. COMPARATIVE FIGURES

Certain 2023 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, 2024

	Term (years)	Interest rate - %	Matures	Balance March 31/23	Issued	Redeemed	Balance March 31/24
General Fund							
M.F.C.							
33-B-1	10	0.000-3.614	2023	468,265	—	468,265	—
34-B-1	10	1.200-3.190	2024	2,660,000	—	1,330,000	1,330,000
35-A-1	10-20	1.040-3.449	2030	2,280,000	—	560,000	1,720,000
36-A-1	10	1.150-2.506	2026	2,497,600	—	624,400	1,873,200
37-A-1	10	1.734-3.073	2027	4,137,000	—	827,400	3,309,600
38-A-1	10	2.490-3.389	2028	7,184,999	—	1,197,500	5,987,499
FCM-1	10	2.250	2028	600,000	—	100,000	500,000
39-A-1	10	2.015 - 2.561	2029	7,175,000	—	1,025,000	6,150,000
40-A-1	10	0.400 - 2.376	2031	7,927,326	—	880,814	7,046,512
41-A-1	10	0.500 - 2.259	2031	10,020,240	—	1,113,360	8,906,880
42-B-1	10	3.847-4.177	2032	7,593,205	—	759,321	6,833,884
43-B-1	10-15	5.460-5.463	2038	—	8,887,057	—	8,887,057
				52,543,635	8,887,057	8,886,060	52,544,632
M.F.C.							
Promissory note							
	3	1.100	2024	14,084,298	—	14,084,298	—
Water Fund							
M.F.C.							
28-A-1	15	3.750-5.088	2023	4,200,000	—	4,200,000	—
30-A-1	15	1.510-4.875	2025	6,000,000	—	750,000	5,250,000
33-A-1	10	1.330-2.979	2023	800,000	—	800,000	—
34-A-1	15	1.245-3.792	2029	2,800,000	—	400,000	2,400,000
42-A-1	5	2.575-3.290	2027	4,572,500	—	914,500	3,658,000
43-A-1	5	4.714-3.550	2028	—	3,500,000	—	3,500,000
				18,372,500	3,500,000	7,064,500	14,808,000
				\$ 85,000,433	\$ 12,387,057	\$ 30,034,858	\$ 67,352,632

Cape Breton Regional Municipality
Consolidated Schedule of Segment Disclosure

For the year ended March 31, 2024

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 2024 and 2023 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 2. The Municipality has determined that the following segments represent the major activities of government.

	<u>Year ended March 31, 2024</u>	<u>General Government Services</u>	<u>Port of Sydney Development Corporation</u>	<u>Protective Services</u>	<u>Transportation Health Services</u>	<u>Environmental Health Services</u>	<u>Recreation and Cultural Services</u>	<u>Development Services</u>	<u>Educational Services</u>	<u>Water Utility</u>	<u>Total</u>
REVENUES											
Taxation	\$ 84,909,282	\$ 10,480,435	\$ —	\$ 20,314,318	\$ 8,901,780	\$ —	\$ —	\$ —	\$ 16,530,308	\$ —	\$ 130,655,688
Grants in lieu of taxes											10,480,435
Services provided to other governments											919,499
Sales of services	62,066	2,610,725	3,566,346	1,677,564	2,102,946	—	3,225,955	2,641,934	50,144	—	4,806,946
Revenue from own sources											11,130,834
Unconditional transfers from other governments	15,777,701	—	—	—	—	—	—	—	—	—	15,777,701
Conditional transfers from other governments											4,692,960
Capital grants											21,627,736
Metered sales											20,520,805
Other water revenues	1,313,531	—	—	—	—	—	—	—	—	—	968,034
Investment income											1,313,531
Contributed assets											6,928,900
Gain on sale of properties	179,979	—	—	—	—	—	—	6,928,900	—	—	—
Disaster recovery											179,979
	115,333,719	3,570,303	29,156,428	19,459,005	16,529,728	10,696,816	205,761	16,530,308	21,488,839	—	232,970,908
EXPENSES											
Salaries, wages and benefits	8,762,331	843,932	35,627,141	19,777,765	3,945,596	5,932,482	831,395	—	2,779,766	—	78,500,408
Interest on long-term debt	364,353	—	286,543	359,424	321,384	348,019	—	—	650,982	—	2,330,725
Materials, goods, supplies and utilities	999,111	571,167	1,661,908	6,367,077	2,401,006	3,235,570	21,882	—	5,842,241	—	21,099,962
Contracted services	1,123,753	94,589	975,200	6,187,570	12,267,984	1,420,471	118,129	—	1,655,837	—	23,843,633
Other operating expenses	5,902,535	562,395	10,050,812	10,453,96	4,286,123	1,284,970	211,474	—	2,900,425	—	35,632,230
External transfers and grants	4,826,959	—	1,041,831	—	778,800	—	16,530,308	807,449	—	—	23,177,988
Amaritization	285,866	307,969	1,763,479	9,843,719	3,201,215	1,911,175	14,891,487	1,990,329	16,530,308	3,866,582	21,797,454
	22,274,908	2,380,052	51,406,914	52,989,151	26,423,318	—	—	—	—	17,495,843	206,382,310
ANNUAL SURPLUS (DEFICIT)	\$ 93,058,811	\$ 1,190,251	\$ (22,250,486)	\$ (33,530,146)	\$ (9,893,569)	\$ (4,194,571)	\$ (1,784,568)	\$ —	\$ 3,992,996	\$ 26,588,598	

Cape Breton Regional Municipality
Consolidated Schedule of Segment Disclosure

For the year ended March 31, 2024

Year ended March 31, 2023	General Government Services	Port of Sydney Development Corporation	Protective Services	Transportation Health Services	Environmental Health Services	Recreational and Cultural Services	Development Services	Educational Services	Water Utility	Total
REVENUES										
Taxation	\$ 77,943,160	\$ -	\$ 18,432,369	\$ 8,077,105	\$ -	\$ -	\$ -	\$ 15,534,623	\$ -	\$ 119,087,257
Grants in lieu of taxes	9,396,051	-	-	-	-	-	-	-	-	9,396,051
Services provided to other governments	-	-	1,145,521	-	-	1,985,988	-	-	-	1,145,521
Sales of services	76,440	2,301,872	724,649	-	2,849,716	-	57,621	-	-	4,172,309
Revenue from item sources	3,243,042	-	-	-	-	-	-	-	-	9,176,900
Unconditional transfers from other governments	15,851,979	-	-	-	-	-	-	-	-	15,851,979
Conditional transfers from other governments	-	144,177	4,609,846	4,969,099	23,333,486	629,339	-	-	-	4,754,023
Capital grants	9,222	-	-	-	-	-	-	-	-	28,941,146
Metered sales	-	-	-	-	-	-	-	-	-	19,322,036
Other water revenues	-	794,255	-	-	-	-	-	-	-	1,000,625
Investment income	329,830	6,500	-	-	-	-	-	-	-	794,255
Gain on sale of properties	-	-	-	-	-	-	-	-	-	336,330
Disaster recoveries	6,213,522	-	-	-	-	-	-	-	-	6,213,522
	112,957,501	2,452,549	24,912,395	15,156,105	26,183,202	2,615,307	57,621	15,534,623	20,322,661	220,191,954
EXPENSES										
Salaries, wages and benefits	8,211,526	815,895	33,974,351	18,720,288	4,428,572	5,498,749	825,763	-	-	23,120,78
Interest on long-term debt	435,225	-	205,591	430,479	188,263	263,589	-	-	-	1,041,977
Materials, goods, supplies and utilities	952,636	473,800	1,773,752	5,728,185	2,198,839	2,600,971	18,175	-	-	5,479,049
Contracted services	868,718	11,381	830,139	6,526,557	10,735,969	402,582	172,544	-	-	1,658,290
Other operating expenses	4,240,005	444,992	9,786,612	11,834,375	3,901,147	2,040,235	210,096	-	-	2,525,310
External transfers and grants	4,091,026	-	1,054,547	-	-	803,800	-	15,534,623	-	34,982,772
ARO adjustment	650,512	-	-	4,350,218	(25,725,561)	1,172	-	-	-	21,483,996
Amortization	294,543	331,946	1,573,670	9,367,866	3,179,256	1,667,078	762,237	-	-	(20,693,535)
	19,744,193	2,078,014	49,198,662	56,957,968	(1,093,515)	13,278,176	1,988,815	15,534,623	3,706,161	20,882,777
ANNUAL SURPLUS (DEFICIT)	\$ 93,213,308	\$ 374,535	\$ (24,286,277)	\$ (41,801,863)	\$ 27,276,717	\$ (10,662,869)	\$ (1,931,194)	\$ -	\$ 3,569,652	\$ 45,752,009

Cape Breton Regional Municipality
Schedule of Remuneration and Reportable Expenses of Council
For the year ended March 31, 2024

Council	Annual Remuneration	Travel Expenses
D. Bruckschwaiger	\$ 54,719	\$ 542
J. Edwards (Deputy Mayor)	\$ 60,117	\$ 12,046
L. Green	\$ 54,719	\$ 4,177
S. Gillespie	\$ 54,719	\$ —
C. MacDonald	\$ 54,719	\$ 666
E. MacDonald	\$ 54,719	\$ 9,833
G. MacDonald	\$ 54,719	\$ 3,653
E. MacMullin	\$ 54,719	\$ 4,071
A. McDougall-Merrill (Mayor)	\$ 159,967	\$ 39,565
D. O'Quinn	\$ 54,719	\$ 1,369
S. Parsons	\$ 54,719	\$ 1,725
G. Paruch	\$ 54,719	\$ —
K. Tracey	\$ 54,719	\$ 532

Cape Breton Regional Municipality
Schedule of Remuneration and Reportable Expenses of Senior Staff
For the year ended March 31, 2024

Senior Staff	Annual Remuneration	Reportable Expenses
M. Bettens	\$ 11,832	\$ —
D. Campbell-Ryan	\$ 30,545	\$ 517
J. Campbell	\$ 132,098	\$ 4,103
C. Dicks	\$ 64,968	\$ 1,385
K. Durning	\$ 132,098	\$ 2,552
D. Evely	\$ 132,098	\$ —
D. Kachafanas	\$ 135,231	\$ 1,572
W. MacDonald	\$ 140,195	\$ 7,172
J. MacKinnon	\$ 187,562	\$ 14,142
M. Ruus	\$ 116,681	\$ 5,161
M. Seth	\$ 84,966	\$ 1,379
M. Walsh	\$ 231,049	\$ 5,942
R. Walsh	\$ 172,605	\$ 4,714

Cape Breton Regional Municipality
Schedule of Operating Fund and Change in Fund Balance
For the year ended March 31, 2024
(Unaudited)

	2024	2023
REVENUES		
Taxes	\$ 130,655,688	\$ 119,087,257
Grants in lieu of taxes	10,480,435	9,396,051
Services provided to other governments	919,499	1,145,521
Sales of services	4,806,946	4,172,309
Revenue from own sources	12,615,028	11,826,538
Unconditional transfers from other governments	15,777,701	15,851,979
Conditional transfers from other governments	4,689,003	4,609,846
Disaster recovery	2,967,860	6,213,522
	182,912,160	172,303,023
EXPENSES		
General government services	18,116,372	15,995,096
Protective services	56,719,826	54,701,383
Transportation services	42,874,738	43,239,884
Environmental health services	22,033,690	(34,841,492)
Public health and welfare services	3,465,650	2,721,969
Environmental development services	1,182,880	1,226,578
Recreation and cultural services	12,978,758	11,609,926
Educational services	16,530,308	15,534,623
	173,902,222	110,187,967
Excess of revenues over expenses before the following	9,009,938	62,115,056
FINANCING AND TRANSFERS		
Debenture and term loan principal instalments	(8,886,065)	(8,506,443)
Transfer to special reserve funds	(710,051)	3,589,200
Transfer to general capital fund	(884,719)	—
Amortization of bond discount	(60,880)	(57,520)
	(10,541,715)	(4,974,763)
CHANGE IN FUND BALANCE	(1,531,777)	57,140,293
FUND BALANCE, BEGINNING OF YEAR	(4,650,518)	(61,790,811)
FUND BALANCE, END OF YEAR	\$ (6,182,295)	\$ (4,650,518)

Cape Breton Regional Municipality
Schedule of Water Utility Operating Fund and Change in Fund Balance
For the year ended March 31, 2024
(Unaudited)

	2024	2023
OPERATING REVENUES		
Metered sales	\$ 20,520,805	\$ 19,322,036
Public fire protection	7,076,391	7,076,391
Consumer's interest	317,748	769,932
	<u>27,914,944</u>	<u>27,168,359</u>
OPERATING EXPENSES		
Source of supply	443,065	502,819
Power and pumping	1,626,734	1,820,919
Water treatment	5,961,827	4,967,373
Transmission and distribution	4,594,067	4,506,939
Administration and general	3,563,418	3,206,353
Taxes	1,981,992	1,896,230
	<u>18,171,103</u>	<u>16,900,633</u>
Excess of revenues over expenses before the following	9,743,841	10,267,726
NON-OPERATING REVENUES		
Miscellaneous	650,286	230,693
NON-OPERATING EXPENSES		
Interest on debentures	650,992	1,041,977
Amortization of debt discounts	20,278	24,539
Other	27,360	25,605
Transfer to water capital fund	7,381,082	8,521,404
Transfer to general capital fund	650,000	650,000
	<u>8,729,712</u>	<u>10,263,525</u>
CHANGE IN FUND BALANCE	1,664,415	234,894
FUND BALANCE, BEGINNING OF YEAR	7,149,821	6,914,927
FUND BALANCE, END OF YEAR	\$ 8,814,236	\$ 7,149,821

Cape Breton Regional Municipality
Schedule of Capital Fund and Change in Fund Balance
For the year ended March 31, 2024
(Unaudited)

	2024	2023
REVENUES		
Capital grants	\$ 14,240,868	\$ 18,220,293
Contributed assets	6,928,900	—
	21,169,768	18,220,293
EXPENSES		
General government services	611,728	945,054
Protective services	1,763,479	1,573,670
Transportation services	10,114,413	13,718,084
Environmental health services	4,389,628	33,747,977
Recreation and cultural services	1,912,729	1,668,250
Planning and development services	807,449	762,237
	19,599,426	52,415,272
Excess of revenues over expenses before the following	1,570,342	(34,194,979)
FINANCING AND TRANSFERS		
Transfer from reserve funds	16,997,847	16,963,712
Transfer from general operating fund	884,719	—
Transfer from water operating fund	650,000	650,000
Debenture and term loan principal instalments	8,886,065	8,506,443
	27,418,631	26,120,155
CHANGE IN FUND BALANCE	28,988,973	(8,074,824)
FUND BALANCE, BEGINNING OF YEAR	283,621,765	291,696,589
FUND BALANCE, END OF YEAR	\$ 312,610,738	\$ 283,621,765

Cape Breton Regional Municipality
Schedule of Water Utility Capital Fund and Change in Fund Balance
For the year ended March 31, 2024
(Unaudited)

	2024	2023
REVENUES		
Capital grants	\$ -	\$ -
EXPENSES		
Amortization	3,696,928	3,736,304
Deficiency of revenues over expenses before the following	3,696,928	3,736,304
FINANCING AND TRANSFERS		
Transfer from water operating fund	7,381,082	8,521,404
CHANGE IN FUND BALANCE	3,684,154	4,785,100
FUND BALANCE, BEGINNING OF YEAR	106,342,731	101,557,631
FUND BALANCE, END OF YEAR	\$ 110,026,885	\$ 106,342,731

Cape Breton Regional Municipality
Schedule of Port of Sydney Development Corporation Operating Fund and
Change in Fund Balance
For the year ended March 31, 2024
(Unaudited)

	Budget (Unaudited)	2024	2023
REVENUES			
Wharfage and berthage	\$ 708,361	\$ 874,881	\$ 696,742
Passenger tax	1,489,595	1,624,441	876,697
Events	198,800	177,279	89,606
Security	336,529	378,659	279,740
Storage and rental	324,735	328,799	255,864
Craft market	70,500	130,027	67,278
Sundry	4,800	52,260	35,945
Government funding	—	3,957	144,177
	3,133,320	3,570,303	2,446,049
EXPENSES			
Advertising and promotion	12,775	25,398	15,924
Bad debts	2,000	—	1,752
Cruise activities	69,140	40,529	55,222
Dues and fees	28,327	34,893	29,226
Events	97,600	55,431	13,562
Insurance	87,375	74,292	68,094
Interest and bank charges	4,720	5,331	5,212
Miscellaneous	8,610	36,754	16,292
Office and administration	21,087	14,531	12,034
Professional fees	86,300	94,589	11,381
Rent	47,880	52,320	52,320
Repairs and maintenance	276,069	254,969	225,119
Security	227,700	252,492	179,831
Travel	19,500	40,386	21,119
Utilities	224,520	246,236	223,085
Wages and benefits	922,968	843,932	815,895
	2,136,571	2,072,083	1,746,068
Excess of revenues over expenses before the following	996,749	1,498,220	699,981
Amortization of capital assets	(385,405)	(307,969)	(331,946)
Gain on disposal of assets			6,500
CHANGE IN FUND BALANCE	\$ 611,344	1,190,251	374,535
FUND BALANCE, BEGINNING OF YEAR		4,392,613	4,018,078
FUND BALANCE, END OF YEAR	\$ 5,582,864	\$ 4,392,613	

Cape Breton Regional Municipality
Schedule of Reserve Funds and Change in Fund Balance
For the year ended March 31, 2024
(Unaudited)

	2024	2023
REVENUES		
Investment income	\$ 1,307,267	\$ 789,888
Sale of properties	179,979	329,815
Grants	7,386,868	10,720,853
	8,874,114	11,840,556
FINANCING AND TRANSFERS		
Transfer from operating fund	710,051	(3,589,200)
Transfer to capital funds	(16,997,847)	(16,963,712)
	(16,287,796)	(20,552,912)
CHANGE IN FUND BALANCE	(7,413,682)	(8,712,356)
FUND BALANCE, BEGINNING OF YEAR	52,455,283	61,167,639
FUND BALANCE, END OF YEAR	\$ 45,041,601	\$ 52,455,283

Cape Breton Regional Municipality
Schedule of Water Utility Reserve Funds and Change in Fund Balance
For the year ended March 31, 2024
(Unaudited)

	2024	2023
REVENUES		
Investment income	\$ 6,264	\$ 4,367
CHANGE IN FUND BALANCE	6,264	4,367
FUND BALANCE, BEGINNING OF YEAR	2,052,301	2,047,934
FUND BALANCE, END OF YEAR	\$ 2,058,565	\$ 2,052,301