



CAPE BRETON
REGIONAL MUNICIPALITY

Annual Financial Report

Year Ended March 31, 2024

Cape Breton Regional Municipality

Year ended March 31, 2024

CAPITAL HIGHLIGHTS

- \$23.6m in Capital Project work completed
 - \$21.1m – Municipal
 - Wastewater treatment plants
 - Underground infrastructure
 - Roads and sidewalks
 - Parks, Trails, Arenas
 - Fire apparatus
 - Transit & Fleet
 - \$2.5m - Water
- Emera Centre transfer \$6.9M
- \$22.7m additional Capital work in progress
 - \$19.8m Wastewater treatment plants
 - \$700k building/facilities upgrades
 - \$500k transit (electrification plan/fleet)
 - \$1.7m roads/culverts/stormwater

OPERATING HIGHLIGHTS

- FIONA recovery and debris management (approx. \$3m in damages for FYE Mar 31/24)
- Snowmageddon (\$3.85m in costs)
- Ratification of Police Contract/Collective Agreement

POLICY/PLANNING HIGHLIGHTS

- Transit study ongoing
- Service Exchange MOU
- Wastewater rate model implemented for 2024-25
- MOU/Operating lease agreement – Port of Sydney

OPERATING RESULTS

- CBRM Operating Fund surplus \$102k
- Water Utility Operating Fund Surplus \$1.96m



CAPE BRETON
REGIONAL MUNICIPALITY

Agenda page
references noted for
• Audited F/S
• Schedules

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CBRM

**Operating, Capital and
Reserve Funds**

Year Ended March 31, 2024

Cape Breton Regional Municipality

Schedule of Operating Fund (Council)

Column1	Actuals 2023-24	Budget 2023-24	Column4 Variance
Revenue			
Total Taxes	\$ 130,655,688	\$ 130,411,084	\$ 244,604
Total Federal Government	3,480,335	3,199,385	280,950
Total Federal Government Agencies	823,578	774,672	48,907
Total Provincial Government	2,151,786	2,151,906	(120)
Total Provincial Government Agencies	4,024,736	4,025,373	(637)
Total Services to Other Local Government	1,144,780	1,171,159	(26,379)
Total Transit	2,102,946	2,107,000	(4,054)
Total Environmental Development Services	350,394	250,500	99,894
Total Licenses & Permits	171,701	148,500	23,201
Total Fines & Fees	878,056	911,310	(33,255)
Total Rentals	513,192	523,277	(10,085)
Total Concessions & Franchises	1,112,325	795,500	316,825
Total Interest	2,474,487	1,515,000	959,487
Total Finance Revenue	39,150	35,000	4,150
Total Solid Waste Revenue	3,225,955	3,010,000	215,955
Total Recreation & Cultural Service Programs	1,529,609	1,661,500	(131,891)
Total Water Utility Charges	5,050,540	5,050,540	-
Total Unconditional Transfers	15,777,701	15,835,838	(58,137)
Total Conditional Transfers	274,920	418,000	(143,080)
Total Extraordinary Revenue (Disaster Recovery)	2,967,680	-	2,967,680
Total Revenue	\$ 178,749,559	\$ 173,995,545	\$ 4,754,014
Expenditures			
	Actuals 2023-24	Budget 2023-24	Column4 Variance
Legislative	\$ 1,532,461	\$ 1,629,933	\$ 97,472
Administration	421,810	462,452	40,642
Finance	2,893,802	3,419,886	526,084
Legal	2,589,003	2,717,266	128,263
Human Resources	1,261,555	1,487,476	225,921
Technology & Communications	3,731,959	4,187,985	456,026
Municipal Clerk	451,117	576,707	125,590
Fiscal Services	35,277,022	33,986,180	(1,290,842)
Police Services	27,712,233	30,500,486	2,788,253
Fire Services (Incl EMO)	19,517,450	18,875,742	(641,708)
Engineering & Public Works	64,402,336	58,165,336	(6,237,000)
Planning	3,189,899	3,589,859	399,960
Facilities: Centre 200 & Arenas	5,912,229	4,409,504	(1,502,725)
Parks & Grounds	3,250,173	3,318,875	68,702
Buildings	3,598,592	3,611,363	12,771
Recreation	2,906,014	3,056,495	150,481
Total Expenditures	\$ 178,647,657	\$ 173,995,545	\$ (4,652,112)
Surplus / (Deficit)	\$ 101,902		

Revenues

Exceeded Budget
\$4,754,014*

\$1,786,334
excluding Disaster recovery

Tax Revenue	2023/24 Actuals	2023/24 Budget	Variance
Taxes on Assessment			
Residential Tax	89,242,691	89,598,350	(355,659)
Commercial Tax	32,639,403	32,543,481	95,922
Resource Tax	1,596,823	1,589,858	6,965
Commercial Area Rates (Fire/Sewer-Bylaw)	1,448,360	1,519,395	(71,035)
Total Taxes on Assessment	124,927,277	125,251,084	(323,807)
Bell	407,751	438,000	(30,249)
Wind Turbine	221,257	222,000	(743)
Deed Transfer Tax	5,099,404	4,500,000	599,404
Total Tax Revenue	130,655,689	130,411,084	244,605

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Revenue			
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Total Federal Government	3,480,335	3,199,385	280,950
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Total Provincial Government Agencies	4,024,736	4,025,373	(637)
Total Services to Other Local Government	1,144,780	1,171,159	(26,379)
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Total Solid Waste Revenue	3,225,955	3,010,000	215,955
Total Recreation & Cultural Service Programs	1,529,609	1,661,500	(131,891)
Total Water Utility Charges	5,050,540	5,050,540	-
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Total Conditional Transfers	274,920	418,000	(143,080)
Total Extraordinary Revenue (Disaster Recovery)	2,967,680	-	2,967,680
Total Revenue	\$ 178,749,559	\$ 173,995,545	\$ 4,754,014

• Deed Transfer Tax
\$600k!

Includes bank interest \$800k

Expenditures

Over budget
\$4,652,112

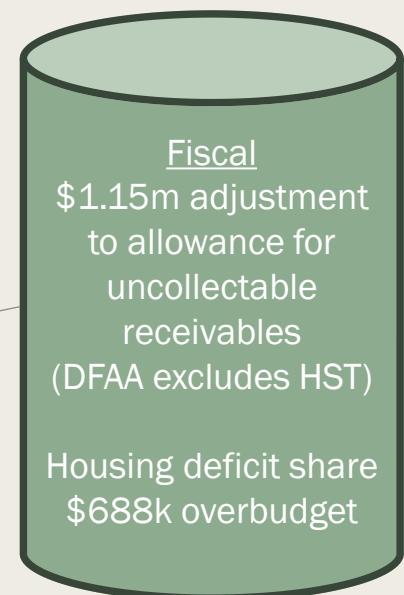


Vehicle repairs
\$534k

Expenditures	Actuals	Budget	Column4
	2023-24	2023-24	Variance
Legislative	\$ 1,532,461	\$ 1,629,933	\$ 97,472
Administration	421,810	462,452	40,642
Finance	2,893,802	3,419,886	526,084
Legal	2,589,003	2,717,266	128,263
Human Resources	1,261,555	1,487,476	225,921
Technology & Communications	3,731,959	4,187,985	456,026
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Fiscal Services	35,277,022	33,986,180	(1,290,842)
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Parks & Grounds	3,250,173	3,318,875	68,702
Buildings	3,598,592	3,611,363	12,771
Recreation	2,906,014	3,056,495	150,481
Total Expenditures	\$ 178,647,657	\$ 173,995,545	\$ (4,652,112)

Department	Actuals	Budget	Variance	Fiona	Snowmageddon	Net Variance
Engineering and Admin	5,332,614	5,366,372	33,758	-	-	33,758
Divisional Operations	21,977,387	19,689,431	(2,287,956)	(394,563)	(2,964,718)	1,071,325
Solid Waste	18,567,365	15,867,558	(2,699,807)	(2,041,854)	-	(657,953)
Fleet	6,396,353	4,909,477	(1,486,876)	-	(873,908)	(612,968)
Transit	8,547,112	8,555,620	8,508	-	-	8,508
Waste Water	3,581,505	3,776,878	195,373	(10,644)	-	206,017
Department Totals	64,402,336	58,165,336	(6,237,000)	(2,447,061)	(3,838,626)	48,687

Nearly all departments reported lower than budgeted expenses.



Comparison by Expenditure Actual to Budget

Column1	Actuals 2023/24	Budget 2023/24	Column3 Variance	CY Actual 2023/24	PY Actual 2022/23	Variance
Expenditures						
Wages and Benefits, Net of Cost Recovery/Employment Grants	73,701,975	78,587,451	(4,885,476)	73,701,975	72,505,247	1,196,727
Contracts/ Agreements/ Professional Service	20,845,056	20,874,429	(29,373)	20,845,056	20,791,257	53,798
Provincial Service Costs (includes PVSC)	22,202,675	21,608,609	594,066	22,202,675	20,492,720	1,709,955
Debt Servicing	10,310,499	10,790,464	(479,965)	10,310,499	10,087,243	223,256
Water Utility Hydrant Fee	7,076,391	7,076,384	7	7,076,391	7,076,391	-
Vehicle Maintenance/ Repair/ Fuel	8,351,563	7,243,763	1,107,800	8,351,563	8,238,840	112,723
Operational Equipment/ Materials/ Supplies/ Tools/ Uniforms/ Clothing	6,627,502	6,166,724	460,778	6,627,502	6,554,505	72,997
Grants to Organizations	4,323,281	4,438,660	(115,379)	4,323,281	4,396,994	(73,713)
Heat/ Electrical/ Water	3,886,283	3,626,740	259,543	3,886,283	3,269,068	617,215
Street Lights	2,629,159	2,400,800	228,359	2,629,159	2,355,685	273,474
Building Mainentance/ Repair/ Rental	2,174,724	1,781,082	393,642	2,174,724	1,772,085	402,640
Insurance	1,984,365	2,080,000	(95,635)	1,984,365	1,726,504	257,861
Office/ Computer Supplies/ Equipment	1,617,482	1,774,176	(156,694)	1,617,482	1,593,602	23,879
Allowance for Uncollectible Taxes/ Receivables/DUP	1,863,626	820,000	1,043,626	1,863,626	221,440	1,642,186
Telephone/ Communication Equipment	843,908	882,953	(39,045)	843,908	789,540	54,368
Cost Recovery	(852,041)	(861,257)	9,216	(852,041)	(963,727)	111,686
Security	623,614	504,700	118,914	623,614	463,647	159,967
Training/ Education/ Travel/ Conferences/ Meetings	923,106	1,148,464	(225,358)	923,106	862,565	60,541
Licenses/ Permits/ Easements	609,665	661,834	(52,169)	609,665	490,447	119,217
Community Events	367,258	501,000	(133,742)	367,258	319,586	47,672
Cost of Sales	890,611	405,000	485,611	890,611	511,130	379,481
Advertising/ Promotion	336,931	326,700	10,231	336,931	238,831	98,099
Postage/ Courier	199,060	224,300	(25,240)	199,060	227,746	(28,686)
Professional Membership Dues/ Fees/ Subscriptions	189,468	192,569	(3,101)	189,468	179,837	9,631
Low Income Rebate	509,786	740,000	(230,214)	509,786	729,709	(219,923)
FIONA	2,561,423	-	2,561,423	2,561,423	7,216,928	(4,655,505)
SNOWMAGEDDON	3,850,291	-	3,850,291	3,850,291	-	3,850,291
Total Expenditures	\$ 178,647,657	\$ 173,995,545	\$ 4,652,112	\$ 178,647,657	\$ 172,147,817	\$ 6,499,840
Expenditures (Excluding Fiona, Snowmageddon)	\$ 172,235,944	\$ 173,995,545	-\$ 1,759,601	\$ 172,235,944	\$ 164,930,889	\$ 7,305,055

CBRM Operating (Council)

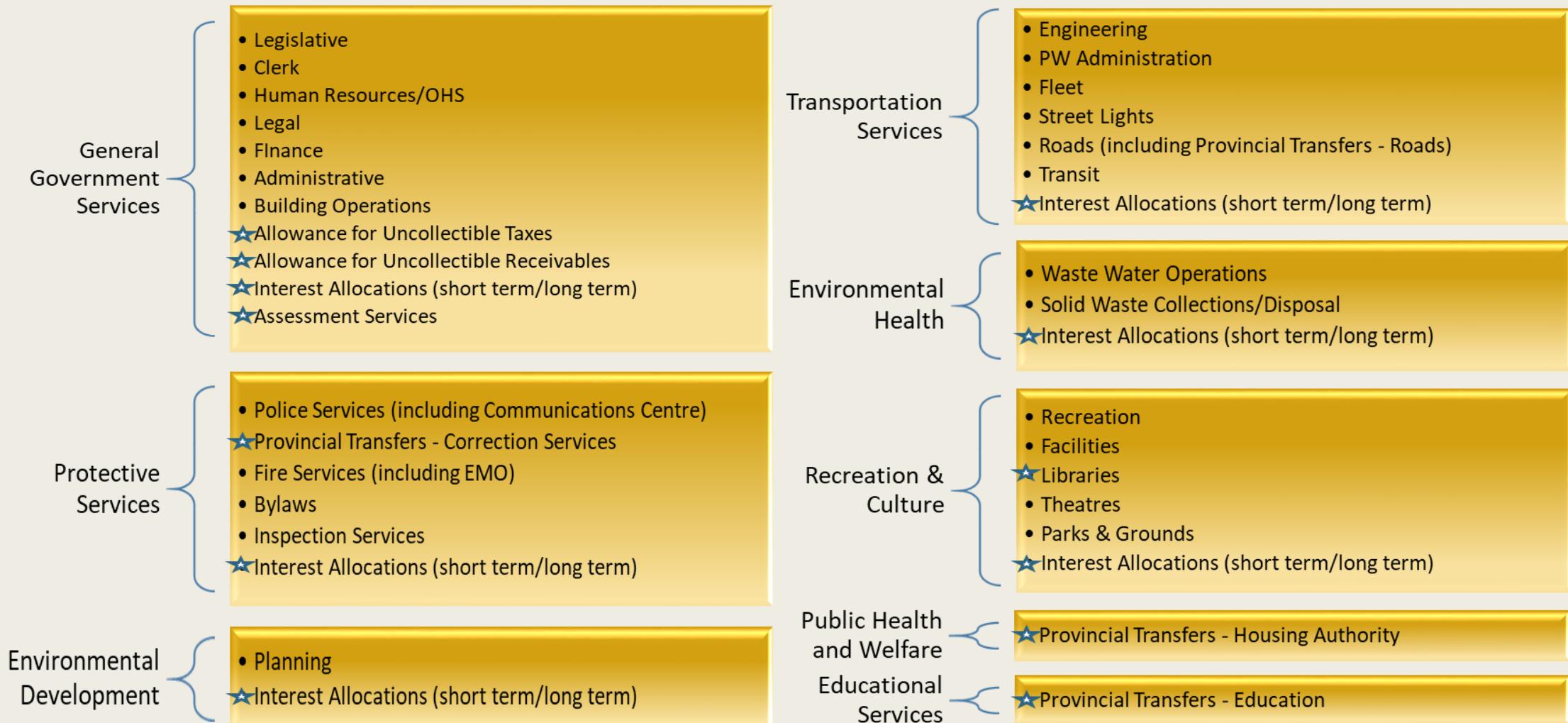


FRAM



PSAB Presentation

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



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

Financing & Transfers

- ★ Debenture Principal Repayments
- ★ Amortization of Bond Discount
- ★ *Transfers to Special Reserve Fund*
- ★ *Transfers to Capital Fund*

ie. Operating surplus

ie. J-Class Road
Contribution

	2024	2023
Annual Surplus, Council Format	101,902	715,389
Surplus transfer to operating reserve	★ (101,902)	715,389
Annual Surplus, FRAM	-	-



Legislative Requirements vs GAAP

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

CBRM (FRAM)

Accrued debenture interest

Vacation and sick benefit accrual

Asset Retirement Obligation

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

WATER UTILITY (UARB)

Capital Contributions

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

Depreciation

- PSAB: Expense
- UARB: Depreciation Reserve

CBRM Operating (Council)



FRAM

PSAB Presentation



Step 3: Adjust accruals recognized under PSAB.

		2024	2023
PSAB ADJUSTMENTS			
Decrease (increase) in Landfill closure liability		56,294,281	
Decrease (increase) in accrued interest	(357,039)	-	
Decrease (increase) in accrued sick benefits	(474,285)	(1,694,156)	
Decrease (increase) in accrued vacation entitlements	(700,453)	2,540,168	
CHANGE IN FUND BALANCE (PSAB)	(1,531,777)	57,140,293	

		2024	2023
PSAB FUND BALANCE COMPRISED OF:			
Accrued Interest	(357,039)	-	
Sick benefit accrual	(2,552,195)	(2,077,910)	
Vacation accrual	(3,273,061)	(2,572,608)	
	(6,182,295)	(4,650,518)	

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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 installments	(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

Capital Fund

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

- The fund balance increases for the following:
 - Grants received for capital projects, such as ICIP, and other outside funding contributions.
 - Monies transferred from our own funds, such as capital out of operating, gas tax reserves, capital reserves.
 - Repayment of debentures.
 - As ARO obligations are no longer municipal responsibility (ie. Sale of property to a 3rd party).
- The fund decreases for depreciation, as well as the addition of any newly recognized asset retirement obligations under the new accounting standard.

Cape Breton Regional Municipality

Capital Fund

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Cape Breton Regional Municipality

Schedule of Capital Fund and Change in Fund Balance

For the year ended March 31, 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

Contributions from Provincial/Federal
Governments and other sources

\$10.3M - ICIP (Wastewater)

\$2.5M Charlotte St. Redevelopment

\$508K – EV Bus Maintenance Facility

\$425K - PTAP/ATAP (Transit)

\$461K –Other community infrastructure

Depreciation of assets & initial recognition of
ARO Liabilities

\$17.0M Transfer from gas
tax/capital reserves

\$885K capital out of operating
(emergency purchase – blowers)

Debt Repayments during fiscal year

Cape Breton Regional Municipality

Capital, Funding & Debt

CBRM Capital Program 2023/24	Budget	Cost	Funding	Borrowing	Budgeted Borrowing	Variance
Land and buildings	\$ 7,100,000	\$ 841,937	\$ 212,448	\$ 629,489	\$ 2,100,000	\$ (1,470,511)
Arenas	2,250,000	7,029,550	7,007,623	21,927	-	21,927
Fire Equipment/Apparatus	600,000	836,421	103,193	733,228	600,000	133,228
Streets and Sidewalks	14,950,000	11,975,466	6,663,102	5,312,364	3,153,333	2,159,031
Fleet Replacement	1,500,000	1,762,755	873,908	888,848	850,000	38,848
Waste Water/Storm Water	35,773,310	914,321	887,000	27,321	-	27,321
Parks & Grounds	1,910,000	2,565,435	2,017,469	547,966	930,000	(382,034)
Active Transportation	-			-	-	-
Transit	1,800,000	2,174,637	1,127,212	1,047,426	906,300	141,126
Tech Upgrades	340,000	-	-	-	-	-
Waterfront Development	2,545,000					-
Total	\$ 68,768,310	\$ 28,100,523	\$ 18,891,954	\$ 9,208,569	\$ 8,539,633	\$ 668,936

Debt Repaid	-\$ 8,886,060
New Debt	\$ 9,208,569
Net Increase in Total Debt	\$ 322,509

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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
35-A-1	10-20	1.040-3.449	2030	2,280,000	-	560,000
36-A-1	10	1.150-2.506	2026	2,497,600	-	624,400
37-A-1	10	1.734-3.073	2027	4,137,000	-	827,400
38-A-1	10	2.490-3.389	2028	7,184,999	-	1,197,500
FCM-1	10	2.250	2028	600,000	-	100,000
39-A-1	10	2.015 - 2.561	2029	7,175,000	-	1,025,000
40-A-1	10	0.400 - 2.376	2031	7,927,326	-	880,814
41-A-1	10	0.500 - 2.259	2031	10,020,240	-	1,113,360
42-B-1	10	3.847-4.177	2032	7,593,205	-	759,321
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

Long Term Debt - Capital Projects	2023/24	2022/23
Current Long Term Debt, Financial Statements	\$ 52,544,632	\$ 52,543,635
Short term borrowing (21/22) capital projects)	-	8,887,057
Short term borrowing (22/23) capital projects)	8,073,100	8,073,100
Short term borrowing (23/24 capital projects)	9,208,569	-
Balance of Total Debt	\$ 69,826,301	\$ 69,503,792
Change in Total Debt	\$ 322,509	

Cape Breton Regional Municipality

Reserve Fund

CBRM's Reserve fund represents:

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

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

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

Transfers from operating fund include:

- Planned transfers
- Unspent program funding (sustainability, studies, etc)
- Election reserve transfer
- Tax sale surplus
- Annual C200 CIF allocation

- Transfer to capital fund is gas tax and capital reserve spending during fiscal year.



CAPE BRETON
REGIONAL MUNICIPALITY



CBRM Water Utility

Operating, Capital and Reserve Funds

Year Ended March 31, 2024

Cape Breton Regional Municipality Water Utility – Operating Fund

Water Utility Consolidated (UARB)

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Cape Breton Regional Municipality Water Utility Statement of Financial Activities – Operating Fund For the year ended March 31, 2024

	2024	2023
	Budget (Unaudited)	Actual
OPERATING REVENUES		
Metered sales	\$ 19,218,619	\$ 20,520,805
Public fire protection	7,076,391	7,076,391
Consumer's interest	350,000	960,113
Service connections	66,000	7,921
	26,711,010	28,565,230
OPERATING EXPENSES		
Source of supply	553,667	443,065
Power and pumping	2,042,040	1,626,734
Water treatment	5,052,816	5,961,827
Transmission and distribution	5,059,739	5,244,067
Administration and general	4,157,287	3,563,418
Depreciation	3,942,595	3,666,582
Taxes	2,061,214	1,981,992
	22,869,358	22,487,685
Excess of operating revenues over expenses before the following	3,841,652	6,077,545
NON-OPERATING REVENUES		
Amortization of deferred capital contributions	-	298,502
NON-OPERATING EXPENSES		
Debt charges		
Provision for principal repayment	3,687,972	3,564,500
Interest	880,485	650,992
Amortization of debt discounts	-	20,277
Bank fees/charges	150,000	27,360
Capital expenditures out of operations	150,000	150,000
	4,868,457	4,413,129
CHANGE IN FUND BALANCE	\$ (1,026,805)	\$ 1,962,918
		\$ 533,397

Change in fund balance (UARB) \$1,962,918
- Amort. Of Deferred Contributions (298,502)
= Change in Fund Balance (PSAB) \$1,664,416

CBRM Consolidated (PSAB)

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Cape Breton Regional Municipality Statement 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
	27,914,944	27,168,359
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
	18,171,103	16,900,633
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
	8,729,712	10,263,525
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

Difference between 2 reporting models is in how amortization of deferred contribution of \$298,502 is reported.

Cape Breton Regional Municipality

Water Utility Change in Fund Balance - Operating Fund

Water Utility Consolidated (UARB)

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Cape Breton Regional Municipality Water Utility Statement of Operating Fund Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
SURPLUS (DEFICIT), BEGINNING OF YEAR	\$ 3,165,376	\$ 2,631,979
Change in fund balance	1,962,918	533,397
SURPLUS (DEFICIT), END OF YEAR	\$ 5,128,294	\$ 3,165,376

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

CBRM Consolidated (PSAB)

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Cape Breton Regional Municipality Schedule of Water Utility Operating Fund and Change in Fund Balance For the year ended March 31, 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
	27,914,944	27,168,359
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
	18,171,103	16,900,633
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
	8,729,712	10,263,525
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

Water Utility Change in Fund Balance - Capital Fund

Water Utility Consolidated (UARB)

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Statement of Investment in Capital Assets For the year ended March 31, 2024		
	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 96,476,427	\$ 91,661,927
Term debt retired	3,564,500	3,564,500
Capital out of operations	150,000	1,250,000
Total \$3,714,500		
BALANCE, END OF YEAR	\$ 100,190,927	\$ 96,476,427

- Capital Projects funded through depreciation reserve
- NO New Debt
- Debt Balance \$14,808,000

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Cape Breton Regional Municipality Water Utility Schedule B - Capital Debt Charges For the year ended March 31, 2024							
Municipal Finance Corporation	Issue of Date	Maturity Date	Interest Rate %	Balance March 31, 2023	Issued	Redeemed	Balance March 31, 2024
28-A-1	2008	2023	4.949 – 5.088	4,200,000	-	4,200,000	-
30-A-1	2010	2025	4.500 – 4.875	6,000,000	-	750,000	5,250,000
33-A-1	2013	2023	2.454 – 2.979	800,000	-	800,000	-
34-A-1	2014	2029	2.516 – 3.792	2,800,000	-	400,000	2,400,000
42-A-1	2022	2027	2.575 – 3.290	4,572,500	-	914,500	3,658,000
43-A-1	2023	2028	4.714 – 3.550	-	3,500,000	-	3,500,000
				\$ 18,372,500	\$ 3,500,000	\$ 7,064,500	\$ 14,808,000

CBRM Consolidated (PSAB)

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Cape Breton Regional Municipality Schedule of Water Utility Capital Fund and Change in Fund Balance For the year ended March 31, 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		
FUND BALANCE, BEGINNING OF YEAR	3,684,154	4,785,100
FUND BALANCE, END OF YEAR	\$ 110,026,885	\$ 106,342,731

Change in fund balances equal under each standard except for how amortization/accretion expense on ARO assets/liabilities is reflected in the schedules under each reporting framework.

Cape Breton Regional Municipality

Water Utility – Change in Fund Balance – Reserve Fund

Water Utility Consolidated (UARB)

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Cape Breton Regional Municipality Water Utility Statement of Special Reserve
For the year ended March 31, 2024

	2024	2023				
	Non-shareable debt expenditure	Future capital expenditure	Watershed land acquisition	Sysco waterline maintenance	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 55,543	\$ 939,666	\$ 340,848	\$ 716,245	\$ 2,052,302	\$ 2,047,934
Interest on investments	250	4,260	1,752	-	6,262	4,368
BALANCE, END OF YEAR	\$ 55,793	\$ 943,926	\$ 342,600	\$ 716,245	\$ 2,058,564	\$ 2,052,302

CBRM Consolidated (PSAB)

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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

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

Cape Breton Regional Municipality

Port of Sydney Development Corporation

Change in Fund Balance – Operating Fund

Cape Breton Regional Municipality

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

For the year ended March 31, 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
<u>Excess of revenues over expenses before the following</u>	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

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

Final Year of
Consolidation with
CBRM!!!

CONSOLIDATED STATEMENTS

CBRM

Operating Fund
Capital Fund
Reserve Fund



CBRW

Operating Fund
Capital Fund
Reserve Fund



PSDC

Operating Fund

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

	Budget	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 (Note1)	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	

Consolidated Results	CBRM			CBRW			PSDC Operating	Total
	Operating	Capital	Reserve	Operating	Capital	Reserve		
Change in Fund Balance	(4,650,518)	283,621,765	52,455,298	7,149,821	106,342,731	2,052,301	4,392,613	451,363,996
Fund Balance, Beginning of Year	(1,531,777)	28,988,973	(7,413,682)	1,664,415	3,684,154	6,264	1,190,251	26,588,598
Fund Balance, End of Year	(6,182,295)	312,610,738	45,041,616	8,814,236	110,026,885	2,058,565	5,582,864	477,952,594

Cape Breton Regional Municipality

Other Schedules

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Cape Breton Regional Municipality

Schedule of Remuneration and Reportable Expenses of Council

For the year ended March 31, 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

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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

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

Cape Breton Regional Municipality

Financial Condition Index (Draft)

Indicator Name	2023-24	2022-23	2021-22	2020-21	2019-20
Reliance on Government Transfers	14.0%	15.1%	22.7%	15.9%	12.1%
Uncollected Taxes	14.7%	14.4%	15.2%	13.8%	14.8%
3 Year Change in Tax Base	11.2%	7.3%	7.8%	9.0%	7.1%
Reliance on Single Business or Institution	1.3%	1.1%	1.1%	1.5%	1.6%
Residential Tax Effort	3.0%	2.7%	2.6%	3.0%	2.9%
# of Deficits in the Last 5 Years	0 out of 5 years	0 out of 5 years	0 out of 5 years	0 out of 5 years	0 out of 5 years
Liquidity	1.3	2.3	2.2	2.8	1.3
Operating Reserve	9.3%	9.0%	12.7%	9.6%	7.8%
Debt Service Cost	18.2%	19.8%	20.4%	10.4%	10.3%
Outstanding Operating Debt	14.4%	10.7%	19.5%	33.1%	8.2%
Undepreciated Assets	60.4%	60.2%	60.0%	60.3%	60.5%
Combined Operating & Capital Reserves	25.9%	31.9%	40.0%	14.8%	11.5%

Cape Breton Regional Municipality

Financial Condition Index (Draft)

Set by DMA



Indicator	Formula	Inputs	Value	Indicator Threshold
Reliance on Gov't Transfers	Total Government Transfers Total Revenue	21,699,560 = 155,380,665	14.0%	 < 15% 15 - 20% > 20%
Indicative of the degree of reliance on government transfers to sustain services/programs.				The Municipality is not dependent on another level of government to meet its service obligations.
Uncollected Taxes	Taxes Receivable (net of allowance) Total Taxes Billed	18,393,385 = 124,927,277	14.7%	 < 10% 10 - 15% > 15%
Indicative of the degree of difficulty the Municipality is experiencing in its tax revenue collection.				The Municipality is experiencing challenges with its tax revenue collection.
3-Year Change in Tax Base	Current UA - UA 3 years prior UA 3 years ago	544,175,736 = 4,879,153,523	11.2%	 growth is => change in CPI growth is < change in CPI negative growth
Is the Municipality's tax base growing at a pace sufficient to sustain services/programs.				The Municipality's tax base is strong to cover the cost of municipal services and programs.
Reliance on Single Business/Institution	Taxable assessment value of largest business/institution Uniform Assessment	69,688,264 = 5,423,329,259	1.3%	 < 10% 10 - 15% > 15%
Is Municipality dependant on the taxes of a single business/institution?				The Municipality is showing no vulnerability in this area.
Residential Tax Effort	Residential Taxes / # dwelling units Median Household Income	1,859 = 62,400	3.0%	 < 4% 4 - 6% > 6%
Helps Council assess the affordability of residential taxes in relation to current service levels.				The Municipality has some flexibility to increase tax rates if required.
# of Deficits in the Last 5 Years	Surplus/ Deficit - 4 years ago Surplus/ Deficit - 3 years ago Surplus/ Deficit - 2 years ago Surplus/ Deficit - 1 year ago Surplus/ Deficit - Current Year	- 11,940 0 4,390,348 3,912,794 11,952,928	 0 of 5 0 of 5 1 or more of 5 1 or more of 2	The Municipality is able to meet its needs in a balanced manner and maintain a balanced budget.
Indicative of the municipality's ability to meet its needs in a balanced manner and maintain a balanced budget as an indication of financial health.				The Municipality is able to meet its needs in a balanced manner and maintain a balanced budget.

Cape Breton Regional Municipality

Financial Condition Index (Draft)

Set by DMA



Indicator	Formula	Inputs	Value	Indicator Threshold
Years with a Budget Accuracy within + or - 5% in the last five years	4 years ago 3 years ago 2 years ago 1 year ago Current Year		5 of 5 5 of 5 4 of 5 < 4 of 5	
	Indicative of the municipality's ability to maintain expenditure spending within budget limits.			The Municipality consistently maintained expenditure spending within budget limits.
Liquidity	Total Current Assets Total Current Liabilities	62,292,644 46,175,296	= 1.3 > 1.5 1 - 1.5 < 1	
	Indicative of cash flow concern by assessing the municipality's ability to meet its current obligations.			The result indicates that the Municipality is somewhat able to meet its needs in a balanced manner and maintain a balanced budget
Operating Reserve	General Operating Reserve Total Expenses (including debenture payments)	14,743,163 158,521,543	= 9.3% > 20% 10 - 20% < 10%	
	The value of funds set aside for planned or unexpected future needs.			The Municipality has not set aside sufficient funds to help mitigate unforeseen risks or future needs.
Debt Service Cost	Principal/Interest on LTD Total Own Source Revenue	24,287,879 133,681,105	= 18.2% < 10% 10 - 15% > 15%	
	Indicative of the flexibility to increase borrowing levels for future capital expenditures.			The Municipality has limited flexibility to increase borrowing.
Outstanding Operating Debt	Total Operating Debt Total Net Taxes & PILT, GIL, Uncon. and Con. Transfers	20,543,070 142,465,040	= 14.4% < 25% 25 - 50% > 50%	
	Indicative of the severity of operating debt a Municipality is carrying at year end.			The Municipality is carrying operating debt.
Undepreciated Assets	Total NBV of Capital Assets Total Gross Cost of Capital Assets	420,365,062 695,850,778	= 60.4% > 50% 35 - 50% < 35%	
	Indicates the remaining useful life of the Municipality's recognized capital assets to assess degree of infrastructure challenges.			The Municipality is experiencing less of an infrastructure challenge than other municipalities.
Combined Reserve (Operating & Capital)	Total reserve fund balance Total operating expenses (Incl Depreciation)	45,041,601 173,961,434	= 25.9% > 40% 30 - 40% < 30%	
	Assesses the Municipality's long term sustainability by measuring its ability to address both unexpected events or provide flexibility to address future infrastructure projects by comparing the value of funds held in reserves compared to 1 year's operating costs (including amortization).			The Municipality does not appear to have sufficient reserves needed to address unexpected events or the flexibility to address future projects.

Cape Breton Regional Municipality

Year Ended March 31, 2024

“After climbing a great hill, one only finds that there are many more hills to climb.”

Nelson Mandela