Cape Breton Regional Municipality
Consolidated Financial Statements
March 31, 2025

Cape Breton Regional Municipality
Consolidated Financial Statements
For the year ended March 31, 2025

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Independent Auditor's Report

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"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, change 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, 2025, and the results of its consolidated financial activities, change in its net debt and 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Municipality as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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
September 15, 2026

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 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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



Nancy Dove, Chief Financial Officer

Cape Breton Regional Municipality
Consolidated Statement of Financial Position
As at March 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	$ 17,269,959	$ 24,119,415
Taxes receivable (note 3)	17,871,007	18,393,385
Accounts receivable (note 4)	48,464,639	40,922,629
Due from trust fund (note 13)	649,531	–
	84,255,136	83,435,429
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 5)	39,825,978	38,829,290
Deferred revenue	15,946,915	436,158
Accrued employee benefits	6,695,426	7,343,717
Asset retirement obligation (note 6)	43,659,993	42,721,266
Capital lease (note 7)	283,211	381,862
Long-term debt (note 8)	63,452,262	67,352,632
	169,863,785	157,064,925
NET DEBT	(85,608,649)	(73,629,496)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	508,008,891	475,386,549
Tangible capital assets - work in progress	86,719,300	71,944,713
Properties acquired at tax sale	1,585,197	1,585,197
Inventory, prepaid expenses and other	2,476,338	2,665,631
	598,789,726	551,582,090
ACCUMULATED SURPLUS (note 10)	$ 513,181,077	$ 477,952,594

Contingencies (note 14)

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, 2025

	Budget (Note 17)	2025	2024
REVENUES			
Taxes	$ 126,272,495	$ 128,770,094	$ 130,655,688
Grants in lieu of taxes	10,452,600	10,869,771	10,480,435
Wastewater	11,881,227	10,837,975	–
Services provided to other governments	379,562	535,614	919,499
Sales of services	5,116,000	4,495,641	4,806,946
Revenue from own sources	13,551,913	8,046,242	7,564,488
Unconditional transfers from other governments	15,835,838	15,942,138	15,777,701
Conditional transfers from other governments	687,337	5,194,032	4,692,960
Capital grants	–	39,219,239	21,627,736
Water Utility	20,392,534	21,362,669	21,488,839
Investment income	–	731,891	1,313,531
Port of Sydney Development Corporation	–	–	3,566,346
Contributed assets	–	–	6,928,900
Gain on sale of properties	–	274,875	179,979
Disaster recovery	–	6,385,055	2,967,860
	204,569,506	252,665,236	232,970,908
EXPENSES			
General government services	20,783,908	23,449,965	18,809,258
Protective services	51,651,626	55,092,723	51,406,914
Transportation services	51,948,574	53,706,959	52,989,151
Environmental health services	30,989,863	27,727,777	26,423,318
Public health and welfare services	212,561	213,353	3,465,650
Environmental development services	2,430,161	1,218,500	1,182,880
Recreation and cultural services	14,459,344	15,175,424	14,891,487
Planning and development services	–	851,392	807,449
Educational services	17,942,800	17,942,800	16,530,308
Port of Sydney Development Corporation	305,746	–	2,380,052
Water Utility expenses	19,142,607	16,474,996	17,495,843
	209,867,190	211,853,889	206,382,310
OTHER EXPENSES			
Restructuring of Port of Sydney Development Corporation (Note 18)	–	5,582,864	–
ANNUAL SURPLUS (DEFICIT)	$ (5,297,684)	$ 35,228,483	$ 26,588,598
ACCUMULATED SURPLUS, BEGINNING OF YEAR		477,952,594	451,363,996
ACCUMULATED SURPLUS, END OF YEAR		$ 513,181,077	$ 477,952,594

See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2025

	Budget (Note 17)	2025	2024
ANNUAL SURPLUS (DEFICIT)	$ (5,297,684)	$ 35,228,483	$ 26,588,598
Tangible capital assets			
Acquisition of tangible capital assets	(79,656,275)	(60,487,168)	(31,223,916)
Proceeds on disposal of tangible capital assets	–	312,156	179,979
Amortization of tangible capital assets	18,000,000	23,636,063	22,776,736
Gain on disposal of tangible capital assets	–	(274,875)	(179,979)
Disposal of Port of Sydney Development Corporation tangible capital assets		4,232,679	–
Remeasurement of ARO asset		(41,197)	–
	(61,656,275)	(32,622,342)	(8,447,180)
Other non-financial assets			
Increase in work in progress	–	(14,774,587)	(22,679,483)
Increase in inventory, prepaid expenses and other	–	189,293	(33,485)
	–	(14,585,294)	(22,712,968)
INCREASE IN NET DEBT	$ (66,953,959)	(11,979,153)	(4,571,550)
NET DEBT, BEGINNING OF YEAR		(73,629,496)	(69,057,946)
NET DEBT, END OF YEAR		$ (85,608,649)	$ (73,629,496)

See accompanying notes to consolidated financial statements.

Cape Breton Regional Municipality
Consolidated Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	$ 35,228,483	$ 26,588,598
Items not involving cash		
Amortization of tangible capital assets	23,636,063	22,776,736
Contributed assets	–	(6,928,900)
Gain on disposal of tangible capital assets	(274,875)	(179,979)
Change in non-cash working capital		
Taxes receivable	522,378	(2,060,628)
Accounts receivable	(7,542,010)	(7,054,502)
Inventory, prepaid expenses and other	189,293	(33,485)
Accounts payable and accrued liabilities and accrued interest	996,688	946,225
Deferred revenue	15,510,757	(246,418)
Accrued employee benefits	(648,291)	1,156,724
Asset retirement obligation	938,727	1,290,498
	68,557,213	36,254,869
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due from trust fund	(649,531)	(17,064)
Issuance of long-term debt	8,073,100	12,387,057
Principal payments on long-term debt	(11,973,470)	(30,034,858)
Repayment of capital lease	(98,651)	(456,898)
	(4,648,552)	(18,121,763)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(60,487,168)	(23,942,488)
Disposal of Port of Sydney Development Corporation tangible capital assets	4,232,679	–
Remeasurement of ARO asset	(41,197)	–
Proceeds on disposal of tangible capital assets	312,156	179,979
Increase in work in progress	(14,774,587)	(22,679,483)
	(70,758,117)	(46,441,992)
DECREASE IN CASH AND CASH EQUIVALENTS	(6,849,456)	(28,308,886)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,119,415	52,428,301
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 17,269,959	$ 24,119,415
SUPPLEMENTAL CASH FLOW INFORMATION		
Tangible capital assets acquired through capital leases	$ –	$ 352,528

See accompanying notes to consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

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

(b) Basis of consolidation

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

- Operating, capital and reserve funds of the Cape Breton Regional Municipality
- Operating, capital and reserve funds of the Cape Breton Regional Municipality Water Utility
- Port of Sydney Development Corporation (for March 31, 2024, refer to note 18)

(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:

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. (Refer to note 18)

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment information (continued)

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.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

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.

(j) Tangible capital assets

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

	Basis	Rate
General Fund		
Buildings	Straight-line	40 years
Equipment	Straight-line	5-10 years
Streets	Straight-line	50 years
Sidewalks	Straight-line	20 years
Traffic lights	Straight-line	20 years
Recreation facilities	Straight-line	5-40 years
Industrial parks	Straight-line	40 years
Waterfront development	Straight-line	50 years
Wharf – Sydney Marine Terminal	Straight-line	25 years
Garbage collection and disposal	Straight-line	25 years
Sewer collection and disposal	Straight-line	50 years
Water fund		
Structures and improvements	Straight-line	75 years
Equipment	Straight-line	5-20 years
Mains	Straight-line	75 years
Services and other	Straight-line	50 years
Meters	Straight-line	20 years
Hydrants	Straight-line	50 years

	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%

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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.

(l) 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.

(m) 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 performance obligation to the customer is satisfied.

(n) 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 when levied. 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 performance obligations to the customer are satisfied as long as amounts can be reasonably estimated, and collection is reasonably assured.

(o) 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 when performance obligations to the customer are satisfied 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 performance obligations to the customer being satisfied are recorded as deferred revenue.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) 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.

(q) 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.

(r) 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, 2025. 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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.

2. CASH AND CASH EQUIVALENTS

	2025	2024
Operating funds	$ (4,267,423)	$ (18,155,731)
Reserves funds	62,578,943	56,993,947
Capital funds	(41,041,561)	(16,900,708)
Port of Sydney Development Corporation	–	2,181,907
	$ 17,269,959	$ 24,119,415

3. TAXES RECEIVABLE

	2025	2024
Gross taxes receivable, beginning of year	$ 20,988,781	$ 18,569,304
Current year's levy of property taxes	122,923,370	125,148,533
Subtotal	143,912,151	143,717,837
Less		
Current year's collections	123,092,599	122,578,119
Reduced taxes	353,149	509,786
Allowance	(162,257)	(358,849)
Gross taxes receivable, end of year	20,628,660	20,988,781
Less		
Allowance for uncollectible taxes	2,757,653	2,595,396
Taxes receivable, net	$ 17,871,007	$ 18,393,385

4. ACCOUNTS RECEIVABLE

	2025	2024
Federal government	$ 13,295,698	$ 9,075,915
Provincial government	19,667,919	19,638,407
Due from general public	3,556,671	3,670,914
Water rates receivable	12,818,698	11,324,255
Wastewater rates receivable	4,688,251	–
	54,027,237	43,709,491
Less allowance for doubtful accounts		
Operating	4,013,497	1,671,281
Rates	1,549,101	1,115,581
	5,562,598	2,786,862
	$ 48,464,639	$ 40,922,629

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade accounts payable	$ 29,776,256	$ 28,578,312
Payroll and related	2,291,465	410,681
Accrued liabilities	3,973,185	5,821,240
Tax sale trust	3,785,072	4,019,057
	$ 39,825,978	$ 38,829,290

6. 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.

6. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

(a) Solid Waste Management Facilities Liabilities (continued)

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

The assumed estimated cost for proper monitoring, planning, closure and post closure activities for these sites is $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 within 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.

6. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

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

	2025	2024
Opening balance	$ 42,721,266	$ 41,430,768
Acquired upon adoption		–
Acquired during the year	–	57,800
Accretion expense	1,543,906	1,488,589
Liabilities settled	(605,179)	(255,891)
	$ 43,659,993	$ 42,721,266

7. CAPITAL LEASE

	2025	2024
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 $235,019 (2024 - $352,528).	$ 283,211	$ 381,862
	$ 283,211	$ 381,862

Minimum lease payments required in the next three (3) years under capital lease are as follows:

Year ended March 31,	
2026	128,642
2027	128,642
2028	32,160
	287,444
Interest included in minimum payments	6,233
	$ 283,211

8. 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, 2025 are as follows:

2026	$ 14,300,061
2027	9,300,061
2028	8,675,661
2029	6,933,761
2030	5,636,261

9. 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	2025 Net Book Value	2024 Net Book Value
Land	$ 14,273,157	$ 508,517	$ –	$ 14,781,674	$ –	$ –	$ –	$ –	$ 14,781,674	$ 14,273,157
Buildings										
General government services	10,404,213	154,120	–	10,558,333	4,257,352	266,588	–	4,523,940	6,034,393	6,146,861
Protective services	19,845,912	189,039	–	20,034,951	3,825,225	506,676	–	4,331,901	15,703,050	16,020,687
Transportation services	11,844,716	927,889	–	12,772,605	3,778,990	321,675	–	4,100,665	8,671,940	8,065,726
Environmental services	33,281,658	–	–	33,281,658	14,109,981	832,069	–	14,942,050	18,339,608	19,171,677
Recreation and cultural services	36,259,913	5,320,544	–	41,580,457	8,842,946	1,038,144	–	9,881,090	31,699,367	27,416,967
Industrial parks	1,084,104	–	–	1,084,104	610,918	27,102	–	638,020	446,084	473,186
Asset retirement obligations	833,984	–	(60,545)	773,439	337,503	176,118	(101,742)	411,879	361,560	496,481
	113,554,500	6,591,592	(60,545)	120,085,547	35,762,915	3,168,372	(101,742)	38,829,545	81,256,002	77,791,585
Equipment										
General government services	3,007,560	–	–	3,007,560	2,974,382	33,178	–	3,007,560	–	33,178
Protective services	22,150,374	579,743	–	22,730,117	19,724,290	1,178,258	–	20,902,548	1,827,569	2,426,084
Public works	54,694,389	8,831,314	–	63,525,703	40,650,511	4,669,232	–	45,319,743	18,205,960	14,043,878
Environmental health services	13,865,475	–	–	13,865,475	13,828,879	11,687	–	13,840,566	24,909	36,596
Recreation and cultural services	2,178,987	162,231	–	2,341,218	1,840,749	37,702	–	1,878,451	462,767	338,238
	95,896,785	9,573,288	–	105,470,073	79,018,811	5,930,057	–	84,948,868	20,521,205	16,877,974
Other										
General government services	742,494	–	–	742,494	742,494	–	–	742,494	–	–
Road transport	223,485,969	14,199,769	–	237,685,738	89,315,286	5,774,230	–	95,089,516	142,596,222	134,170,683
Environmental health services	117,285,630	22,653,947	–	139,939,577	37,255,477	2,835,958	–	40,091,435	99,848,142	80,030,153
Recreation and cultural services	27,786,720	1,746,698	–	29,533,418	25,325,603	1,343,361	–	26,668,964	2,864,454	2,461,117
Waterfront development	9,163,957	1,625,936	–	10,789,893	4,840,263	589,287	–	5,429,550	5,360,343	4,323,694
Downtown development	4,231,897	–	–	4,231,897	594,644	112,521	–	707,165	3,524,732	3,637,253
Wharf – Sydney Marine Terminal	22,253,546	–	–	22,253,546	2,967,727	122,482	–	3,090,209	19,163,337	19,285,819
Asset retirement obligation – CBRM	5,304,334	–	–	5,304,334	577,128	200,260	–	777,388	4,526,946	4,727,206
Water utility assets	186,191,186	3,587,421	(37,281)	189,741,326	72,615,957	3,559,535	–	76,175,492	113,565,834	113,575,229
Port of Sydney Development Corporation assets	11,576,240	–	(11,576,240)	–	7,343,561	–	(7,343,561)	–	–	4,232,679
	608,021,973	43,813,771	(11,613,521)	640,222,223	241,578,140	14,537,634	(7,343,561)	248,772,213	391,450,010	366,443,833
	$ 831,746,415	$ 60,487,168	$ (11,674,066)	$ 880,559,517	$ 356,359,866	$ 23,636,063	$ (7,445,303)	$ 372,550,626	$ 508,008,891	$ 475,386,549

10. ACCUMULATED SURPLUS

	2025	2024
General operating fund	$ (6,695,461)	$ (6,182,295)
Water operating fund	10,290,946	8,814,236
General capital fund	356,014,159	312,610,738
Water capital fund	114,777,787	110,026,885
Port of Sydney Development Corporation	–	5,582,864
	474,387,431	430,852,428
Reserves set aside by council	38,793,646	47,100,166
	$ 513,181,077	$ 477,952,594

11. CREDIT FACILITIES

The Municipality has an operating line of credit with the Bank of Montreal of $44,000,000 (2024 – $44,000,000) at an annual interest rate of prime minus 1% per annum, repayable on demand. At March 31, 2025, 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, 2025 the facility had a balance of $Nil (2024 – $381,862).

12. 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 2025 were $5,120,164 (2024 - $4,936,535) and are recognized as an expense in the period.

12. 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 2025 were to $116,076 (2024 - $127,426).

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 2025 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 2025 was $277,447 (2024 - $197,177).

13. MISCELLANEOUS TRUST FUNDS

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2025 are $2,726,176 (2024 - $4,862,176).

14. CONTINGENCIES

a) As of March 31, 2025, 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, 2025 is $888,078 (2024 - $963,851).

d) The Municipality has guaranteed working capital borrowing on behalf of Seaview Manor Corporation at March 31, 2025 up to $200,000 (2024 - $200,000).

14. CONTINGENCIES (CONTINUED)

e) Canadian Environmental Guidelines

The Municipality is subject to wastewater effluent regulations established under the Wastewater Systems Effluent Regulations (WSER) issued by the Canadian Council of Ministers of the Environment (CCME) and administered by the federal regulator. These regulations require municipalities to meet prescribed wastewater treatment standards by specific deadlines based on environmental risk assessments.

The Municipality has completed the required environmental risk assessments for all wastewater systems. Based on these assessments, several wastewater systems have received Transitional Authorizations that extend the deadline for meeting CCME effluent quality requirements to 2040.

15. 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, 2025, in the amount of $Nil (2024 - $3,269,227).

(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, 2025, the Municipality's share of these costs was $1,371,446 (2024 - $1,361,309).

(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, 2025, the Municipality's contribution for these costs was $Nil (2024 - $1,041,831).

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

The Municipality provided a mandatory contribution in the amount of $17,942,800 (2024 - $16,530,308) to the Cape Breton-Victoria Regional Centre for Education.

16. FINANCIAL INSTRUMENTS

(a) Fair values

The fair value of the Municipality's financial instruments that are comprised of cash (cheques issued in excess of funds on deposit), 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.

17. BUDGET INFORMATION

The disclosed operating and capital budget information has been approved by the Mayor and Council at the council meeting on March 6, 2024.

The following provides a reconciliation of the approved operating budgets to the budget figures reported on the consolidated statement of operations and accumulated surplus in accordance with Canadian public sector accounting standards:

	2025
Approved operating budget for the year	
General operations	$ –
Water utility operations	(3,165,376)
Wastewater operations	–
Approved budget deficit	(3,165,376)
Adjusted for:	
Transfer of operating surplus	(610,000)
Principal payments on long-term debt	13,112,316
Capital expenditure out of operations	3,365,376
Amortization tangible capital assets – general operating	(18,000,000)
Adjusted budget deficit	$ (5,297,684)

18. PORT OF SYDNEY DEVELOPMENT CORPORATION

Effective April 1, 2024, the Municipality no longer met the indicators of control of the Port of Sydney Development Corporation and, as a result, the entity is no longer included in the reporting entity. The Municipality ceased consolidating the operations of the Port of Sydney Development Corporation and has derecognized all assets and liabilities of the Port of Sydney Development Corporation as previously consolidated, resulting in a charge to operations of $5,582,864 in the year ended March 31, 2025.

Cape Breton Regional Municipality
Schedule of Long-term Debt
For the year ended March 31, 2025

	Term (years)	Interest rate - %	Matures	Balance March 31/24	Issued	Redeemed	Balance March 31/25
General Fund							
M.F.C.							
34-B-1	10	3.190	2024	1,330,000	–	1,330,000	–
35-A-1	10-20	2.749-3.449	2030	1,720,000	–	560,000	1,160,000
36-A-1	10	2.225-2.506	2026	1,873,200	–	624,400	1,248,800
37-A-1	10	2.754-3.073	2027	3,309,600	–	827,400	2,482,200
38-A-1	10	3.141-3.389	2028	5,987,499	–	1,197,499	4,790,000
FCM-1	10	2.250	2028	500,000	–	100,000	400,000
39-A-1	10	2.265- 2.561	2029	6,150,000	–	1,025,000	5,125,000
40-A-1	10	0.850 - 2.376	2031	7,046,512	–	880,814	6,165,698
41-A-1	10	1.041 - 2.259	2031	8,906,880	–	1,113,360	7,793,520
42-B-1	10	4.177 - 4.402	2032	6,833,884	–	759,321	6,074,563
43-B-1	10-15	4.897 - 5.463	2038	8,887,057	–	791,176	8,095,881
44-A-1	20	3.428 - 4.731	2044	–	8,073,100	–	8,073,100
				52,544,632	8,073,100	9,208,970	51,408,762
M.F.C. Promissory note	3	1.100	2024	–	–		
Water Fund							
M.F.C.							
30-A-1	15	4.795 - 4.875	2025	5,250,000	–	750,000	4,500,000
34-A-1	15	3.347 - 3.792	2029	2,400,000	–	400,000	2,000,000
42-A-1	5	2.908 - 3.290	2027	3,658,000	–	914,500	2,743,500
43-A-1	5	3.550 - 4.714	2028	3,500,000	–	700,000	2,800,000
				14,808,000	–	2,764,500	12,043,500
				$ 67,352,632	$ 8,073,100	$ 11,973,470	$ 63,452,262

Cape Breton Regional Municipality
Consolidated Schedule of Segment Disclosure
For the year ended March 31, 2025

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 2025 and 2024 fiscal years. Segment results represent the activities of that segment and are based on the same accounting policies as described in the Significant Accounting Policies as described in Note 1. The Municipality has determined that the following segments represent the major activities of government.

Year ended March 31, 2025	General Government Services	Port of Sydney Development Corporation	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Development Services	Educational Services	Water Utility	Total
REVENUES										
Taxation	$ 82,455,507	$ –	$ 19,727,258	$ 8,644,529	$ –	$ –	$ –	$ 17,942,800	$ –	$ 128,770,094
Grants in lieu of taxes	10,869,771	–	–	–	–	–	–	–	–	10,869,771
Wastewater revenue	–	–	–	–	10,837,975	–	–	–	–	10,837,975
Services provided to other governments	–	–	535,614	–	–	–	–	–	–	535,614
Sales of services	65,077	–	–	1,819,031	–	2,611,533	–	–	–	4,495,641
Revenue from own sources	2,802,158	–	1,908,779	–	3,272,914		62,391	–	–	8,046,242
Unconditional transfers from other governments	15,942,138	–	–	–	–	–	–	–	–	15,942,138
Conditional transfers from other governments	–	–	5,194,032	–	–	–	–	–	–	5,194,032
Capital grants	–	–	1,555,945	8,454,279	27,927,417	1,125,982	155,617	–	–	39,219,239
Metered sales	–	–	–	–	–	–	–	–	20,577,522	20,577,522
Other water revenues	–	–	–	–	–	–	–	–	785,147	785,147
Investment income	731,891	–	–	–	–	–	–	–	–	731,891
Contributed assets	–	–	–	–	–	–	–	–	–	–
Gain on sale of properties	274,875	–	–	–	–	–	–	–	–	274,875
Disaster recovery	–	–	–	–	6,385,055	–	–	–	–	6,385,055
	113,141,417	–	28,921,628	18,917,839	48,423,360	3,737,515	218,008	17,942,800	21,362,669	252,665,236
EXPENSES										
Salaries, wages and benefits	9,197,529	–	38,670,982	20,292,867	4,376,259	6,123,620	966,404	–	3,052,010	82,679,672
Interest on long-term debt	569,043	–	371,773	520,215	209,491	384,103	–	–	485,953	2,540,577
Materials, goods, supplies and utilities	997,160	–	1,804,469	6,922,645	2,959,996	3,420,261	11,257	–	–	16,115,788
Contracted services	1,384,494	–	1,109,841	8,150,236	13,097,627	640,000	67,179	–	1,584,654	26,034,031
Other operating expenses	9,630,526	5,582,864	11,450,726	7,055,859	3,404,690	1,409,434	173,658	–	7,768,427	46,476,184
External transfers and grants	1,584,799	–	–	–	–	778,800	–	17,942,800	–	20,306,399
Amortization	299,767	–	1,684,932	10,765,137	3,679,714	2,419,206	851,394	–	3,583,952	23,284,102
	23,663,318	5,582,864	55,092,723	53,706,959	27,727,777	15,175,424	2,069,892	17,942,800	16,474,996	217,436,753
ANNUAL SURPLUS (DEFICIT)	$ 89,478,099	$ (5,582,864)	$ (26,171,095)	$ (34,789,120)	$ 20,695,583	$ (11,437,909)	$ (1,851,883)	$ –	$ 4,887,673	$ 35,228,483

Cape Breton Regional Municipality
Consolidated Schedule of Segment Disclosure
For the year ended March 31, 2025

Year ended March 31, 2024	General Government Services	Port of Sydney Development Corporation	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Development Services	Educational Services	Water Utility	Total
REVENUES										
Taxation	$ 84,909,282	$ –	$ 20,314,318	$ 8,901,780	$ –	$ –	$ –	$ 16,530,308	$ –	$ 130,655,688
Grants in lieu of taxes	10,480,435	–	–	–	–	–	–	–	–	10,480,435
Services provided to other governments	–	–	919,499	–	–	–	–	–	–	919,499
Sales of services	62,066	–	–	2,102,946	–	2,641,934	–	–	–	4,806,946
Revenue from own sources	2,610,725	3,566,346	1,677,664	–	3,225,955	–	50,144	–	–	11,130,834
Unconditional transfers from other governments	15,777,701	–	–	–	–	–	–	–	–	15,777,701
Conditional transfers from other governments	–	3,957	4,689,003	–	–	–	–	–	–	4,692,960
Capital grants	–	–	1,555,944	8,454,279	10,335,914	1,125,982	155,617	–	–	21,627,736
Metered sales	–	–	–	–	–	–	–	–	20,520,805	20,520,805
Other water revenues	–	–	–	–	–	–	–	–	968,034	968,034
Investment income	1,313,531	–	–	–	–	–	–	–	–	1,313,531
Contributed assets	–	–	–	–	–	6,928,900	–	–	–	6,928,900
Gain on sale of properties	179,979	–	–	–	–	–	–	–	–	179,979
Disaster recovery	–	–	–	–	2,967,860	–	–	–	–	2,967,860
	115,333,719	3,570,303	29,156,428	19,459,005	16,529,729	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	321,394	348,019	–	–	650,992	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	6,187,670	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	10,453,496	4,288,123	1,264,970	211,474	–	2,900,425	35,632,230
External transfers and grants	4,826,959	–	1,041,831	–	–	778,800	–	16,530,308	–	23,177,898
Amortization	295,866	307,969	1,763,479	9,843,719	3,201,215	1,911,175	807,449	–	3,666,582	21,797,454
	22,274,908	2,380,052	51,406,914	52,989,151	26,423,318	14,891,487	1,990,329	16,530,308	17,495,843	206,382,310
ANNUAL SURPLUS (DEFICIT)	$ 93,058,811	$ 1,190,251	$ (22,250,486)	$ (33,530,146)	$ (9,893,589)	$ (4,194,671)	$ (1,784,568)	$ –	$ 3,992,996	$ 26,588,598

Cape Breton Regional Municipality
Schedule of Remuneration and Reportable Expenses of Council
For the year ended March 31, 2025

Council	Title	Number of Months as Elected Official	Annual Remuneration	Travel Expenses
E. MacDonald	Deputy Mayor/Councillor	12	$ 56,799	$ 9,720
S. Gillespie	Councillor	12	$ 54,761	$ –
G. MacDonald	Councillor	12	$ 54,761	$ 7,603
E. MacMullin	Councillor	12	$ 54,761	$ 5,159
D. O'Quinn	Councillor	12	$ 50,716	$ 915
S. Parsons	Councillor	12	$ 54,761	$ 1,905
G. Paruch	Councillor	12	$ 54,761	$ 925
A. McDougall-Merrill	Mayor	7	$ 90,234	$ 6,967
J. Edwards	Deputy Mayor/Councillor	7	$ 34,888	$ 4,595
D. Bruckschwaiger	Councillor	7	$ 31,755	$ 3,876
L. Green	Councillor	7	$ 31,755	$ 3,638
C. MacDonald	Councillor	7	$ 31,755	$ 3,195
K. Tracey	Councillor	7	$ 31,755	$ 836
C. Clarke	Mayor	5	$ 67,255	$ 7,753
D. MacKeigan	Councillor	5	$ 23,005	$ –
S. MacNeil	Councillor	5	$ 23,006	$ 4,685
E. Marshall	Councillor	5	$ 23,006	$ 1,633
P. Nickituk	Councillor	5	$ 23,006	$ 1,243
K. Sheppard	Councillor	5	$ 23,006	$ 1,202
D. Kachafanas	CAO	N/A	$ 85,033	$ 3,027
M. Walsh	CAO	N/A	$ 214,283	$ 11,921

Cape Breton Regional Municipality
Schedule of Operating Fund and Change in Fund Balance
For the year ended March 31, 2025
(Unaudited)

	2025	2024
REVENUES		
Taxes	$ 128,770,094	$ 130,655,688
Grants in lieu of taxes	10,869,771	10,480,435
Wastewater	10,837,975	–
Services provided to other governments	535,614	919,499
Sales of services	4,495,641	4,806,946
Revenue from own sources	13,112,256	12,615,028
Unconditional transfers from other governments	15,942,138	15,777,701
Conditional transfers from other governments	5,194,032	4,689,003
Disaster recovery	6,385,055	2,967,860
	196,142,576	182,912,160
EXPENSES		
General government services	21,158,240	18,116,372
Protective services	60,484,180	56,719,826
Transportation services	42,941,822	42,874,738
Environmental health services	24,012,799	22,033,690
Public health and welfare services	213,353	3,465,650
Environmental development services	1,218,500	1,182,880
Recreation and cultural services	12,756,217	12,978,758
Educational services	17,942,800	16,530,308
	180,763,175	173,902,222
Excess of revenues over expenses before the following	15,379,401	9,009,938
FINANCING AND TRANSFERS		
Debenture and term loan principal instalments	(10,208,971)	(8,886,065)
Transfer from (to) special reserve funds	(3,797,098)	(710,051)
Transfer to general capital fund	(1,830,857)	(884,719)
Amortization of bond discount	(55,641)	(60,880)
	(15,892,567)	(10,541,715)
CHANGE IN FUND BALANCE	(513,166)	(1,531,777)
FUND BALANCE, BEGINNING OF YEAR	(6,182,295)	(4,650,518)
FUND BALANCE, END OF YEAR	$ (6,695,461)	$ (6,182,295)

Cape Breton Regional Municipality
Schedule of Water Utility Operating Fund and Change in Fund Balance
For the year ended March 31, 2025
(Unaudited)

	2025	2024
OPERATING REVENUES		
Metered sales	$ 20,577,522	$ 20,520,805
Public fire protection	7,076,391	7,076,391
Consumer's interest	6,684	317,748
	27,660,597	27,914,944
OPERATING EXPENSES		
Source of supply	505,539	443,065
Power and pumping	1,864,635	1,626,734
Water treatment	6,007,540	5,961,827
Transmission and distribution	4,777,581	4,594,067
Administration and general	2,512,961	3,563,418
Taxes	1,884,710	1,981,992
	17,552,966	18,171,103
Excess of revenues over expenses before the following	10,107,631	9,743,841
NON-OPERATING REVENUES		
Miscellaneous	778,463	650,286
NON-OPERATING EXPENSES		
Interest on debentures	485,953	650,992
Amortization of debt discounts	20,438	20,278
Other	28,929	27,360
Transfer to water capital fund	8,224,064	7,381,082
Transfer to general capital fund	650,000	650,000
	9,409,384	8,729,712
CHANGE IN FUND BALANCE	1,476,710	1,664,415
FUND BALANCE, BEGINNING OF YEAR	8,814,236	7,149,821
FUND BALANCE, END OF YEAR	$ 10,290,946	$ 8,814,236

Cape Breton Regional Municipality
Schedule of Capital Fund and Change in Fund Balance
For the year ended March 31, 2025
(Unaudited)

	2025	2024
REVENUES		
Capital grants	$ 24,404,401	$ 14,240,868
Contributed assets	–	6,928,900
	24,404,401	21,169,768
EXPENSES		
General government services	2,215,646	611,728
Protective services	1,684,934	1,763,479
Transportation services	10,765,137	10,114,413
Environmental health services	3,679,714	4,389,628
Recreation and cultural services	2,419,207	1,912,729
Planning and development services	851,392	807,449
	21,616,030	19,599,426
Excess of revenues over expenses before the following	2,788,371	1,570,342
FINANCING AND TRANSFERS		
Transfer from reserve funds	27,925,222	16,997,847
Transfer from general operating fund	1,830,857	884,719
Transfer from water operating fund	650,000	650,000
Debenture and term loan principal instalments	10,208,971	8,886,065
	40,615,050	27,418,631
CHANGE IN FUND BALANCE	43,403,421	28,988,973
FUND BALANCE, BEGINNING OF YEAR	312,610,738	283,621,765
FUND BALANCE, END OF YEAR	$ 356,014,159	$ 312,610,738

Cape Breton Regional Municipality
Schedule of Water Utility Capital Fund and Change in Fund Balance
For the year ended March 31, 2025
(Unaudited)

	2025	2024
REVENUES		
Interest	$ 110,790	$ –
EXPENSES		
Amortization	3,583,952	3,696,928
Deficiency of revenues over expenses before the following	(3,473,162)	(3,696,928)
FINANCING AND TRANSFERS		
Transfer from water operating fund	8,224,064	7,381,082
CHANGE IN FUND BALANCE	4,750,902	3,684,154
FUND BALANCE, BEGINNING OF YEAR	110,026,885	106,342,731
FUND BALANCE, END OF YEAR	$ 114,777,787	$ 110,026,885

Cape Breton Regional Municipality
Schedule of Reserve Funds and Change in Fund Balance
For the year ended March 31, 2025
(Unaudited)

	2025	2024
REVENUES		
Investment income	$ 711,037	$ 1,307,267
Sale of properties	274,875	179,979
Grants	14,814,838	7,386,868
	15,800,750	8,874,114
FINANCING AND TRANSFERS		
Transfer from operating fund	3,797,098	710,051
Transfer to capital funds	(27,925,222)	(16,997,847)
	(24,128,124)	(16,287,796)
CHANGE IN FUND BALANCE	(8,327,374)	(7,413,682)
FUND BALANCE, BEGINNING OF YEAR	45,041,601	52,455,283
FUND BALANCE, END OF YEAR	$ 36,714,227	$ 45,041,601

Cape Breton Regional Municipality
Schedule of Water Utility Reserve Funds and Change in Fund Balance
For the year ended March 31, 2025
(Unaudited)

	2025	2024
REVENUES		
Investment income	$ 20,854	$ 6,264
CHANGE IN FUND BALANCE	20,854	6,264
FUND BALANCE, BEGINNING OF YEAR	2,058,565	2,052,301
FUND BALANCE, END OF YEAR	$ 2,079,419	$ 2,058,565