



Cape Breton Regional Municipality

Council Meeting Agenda

Tuesday, September 15, 2026
2:00 p.m.

Council Chambers
Second Floor, City Hall
320 Esplanade, Sydney, Nova Scotia

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Land Acknowledgement**Roll Call****O' Canada**

1. **Approval of Agenda:** (Motion required)
2. **Approval of Minutes:** (Previously Circulated)
 - Special Council – February 27, 2023
 - Council – January 20, 2026
3. **Presentations**
 - 3.1 **The Order of Nova Scotia:** Roman Holz, Protocol Officer, Protocol and Honours Secretariat (See page 6)
4. **Proclamations and Resolutions**
 - 4.1 **Dove Program:** Councillor Earlene MacMullin (See page 14)
 - 4.2 **Dylan Taylor Memorial Day:** Councillor Kim Sheppard-Campbell (See page 15)
 - 4.3 **National Forest Week:** Councillor Steven MacNeil (See page 16)
 - 4.4 **Arthritis Awareness Month:** Deputy Mayor Glenn Paruch (See page 17)
 - 4.5 **World Suicide Prevention Month:** Councillor Kim Sheppard-Campbell (See page 18)
 - 4.6 **World Lymphoma Awareness Month:** Councillor Eldon MacDonald (See page 19)
 - 4.7 **Mitochondrial Disease Awareness Month:** Councillor Earlene MacMullin (See page 20)
 - 4.8 **Dystonia Awareness Month:** Councillor Steve Gillespie

(See page 21)

4.9 Nigerian Independence Day: Councillor Darren O'Quinn

(See page 22)

4.10 Wrongful Conviction Day: Councillor Gordon MacDonald

(See page 23)

4.11 Fire Prevention Week: Councillor Dave MacKeigan

(See page 24)

5. Business Arising – Committee of the Whole – September 8, 2026

5.1 Request to Deem Municipal Property Surplus – PID 15182306 Intersection of Whitney / Davenport and

Ashby Road, Sydney: Sheila Kolanko, Property Manager

(See page 25)

5.2 Request to Convey Municipal Property Surplus to New Aberdeen Revitalization Affordable Housing Society –

PID 15438906, Vacant Property – Third Street, Glace

Bay: Sheila Kolanko, Property Manager (See page 32)

5.3 Approval of Water Utility Administrative Protocols:

Raymond Boudreau, Director of Water and Wastewater

(See page 39)

5.4 New Solid Waste Rates Contract with Circular

Materials: John Phalen, Director of Public Works

(See page 53)

5.5 New Waterford Community Crisis Response Task

Force: Councillor Darren O'Quinn (See page 57)

6. Business Arising – Police Commission – September 9, 2026

6.1 CBRPS Cost Recovery: Olivia Boudreau,

Corporate Business Manager, CBRPS (See page 60)

- 6.2 Window Tints in Vehicles:** Councillor Kim Sheppard-Campbell (See page 72)

7. Corporate Services Issues

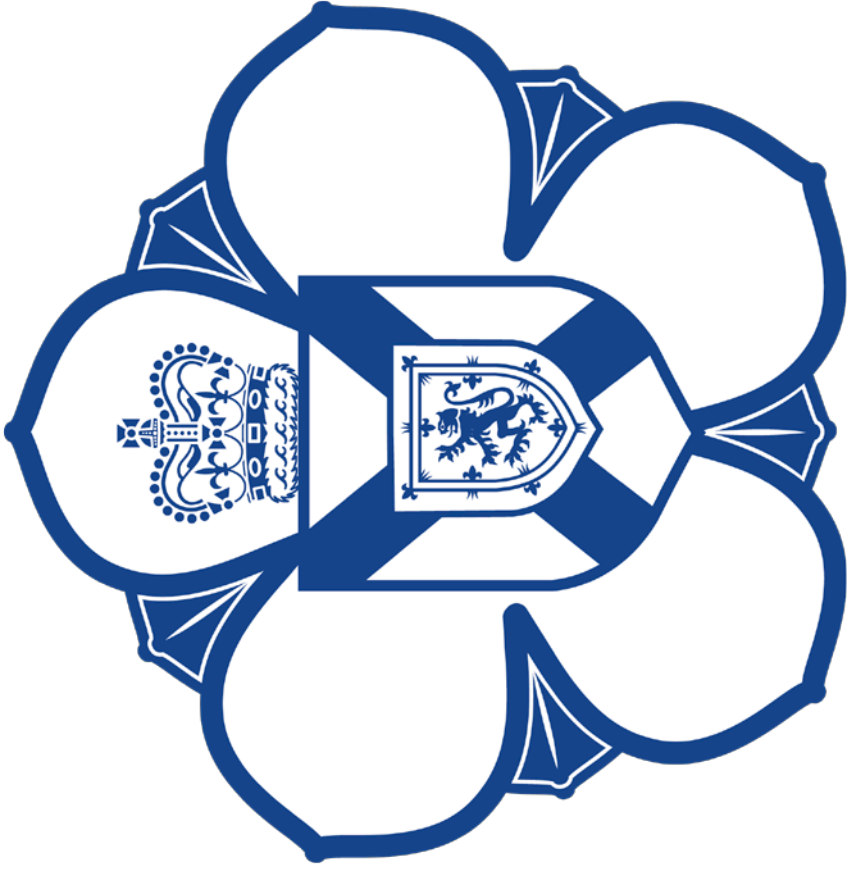
- 7.1 Sydney Water Treatment Plant New Filter Project (W-26-1) –Authorization:** Ray Boudreau, Director of Water and Wastewater (See page 74)

8. Financial Statements

- 8.1 CBRM Financial Statements July 2026:**
Nancy Dove, Chief Financial Officer (See page 80)
- 8.2 Business Arising – Audit Committee – September 9, 2026: 2024-25 Draft Audited Financial Statements – Year Ended March 31, 2025:** Nancy Dove, Chief Financial Officer (See page 103)

Adjournment

The Order of Nova Scotia



What is the Order of Nova Scotia?

- The Order of Nova Scotia is the highest honour of the Province of Nova Scotia
- It was established in 2001
- Encourages excellence by recognizing Nova Scotians for outstanding contributions or achievements
- Fields recognized by this honour include the arts, academics, research, agriculture, business, industry, community leadership, public service, and volunteer service



Who is eligible for the Order?

- Anyone who has an association with Nova Scotia
 - They do not have to be born here or to live in the Province
 - They must have made a significant contribution to Nova Scotia
- Politicians and judges may not be nominated while serving in office
- Only individuals may be nominated (no groups or organizations)
- The Order may be conferred posthumously
 - Maximum of one posthumous per year
 - Nomination must be made within one calendar year of the person's passing



How do I nominate someone?

- Download the PDF Nomination Form: **novascotia.ca/iga/order.asp**
- Contact our office and we will send you a copy
- You can also consult the “How to Make a Nomination Guide”
- Nominations are accepted throughout the year
- Deadline is the last Friday in April each year
- What is required:
 - Nomination Statement
 - Three (3) Testimonial Letters
 - Additional Supporting Material (publications, media stories, work produced)



Selecting Recipients

- Order of Nova Scotia Advisory Council
- Independent committee recommends appointment
- Considers all completed nominations received
- There are no fixed quotas or categories
- Maximum of ten (10) appointments per year

ONS Advisory Council

- A Chair, appointed by the Premier
- The Chief Justice of Nova Scotia, or a judge of the Nova Scotia Court of Appeal or the Supreme Court of Nova Scotia, designated by the Chief Justice
- The Clerk of the Executive Council
- Three members appointed by the Premier, including the president of a university in the province and a member of the Order
- A member appointed by the Leader of the Opposition
- A member appointed by the Leader of the Third Party in the House of Assembly



ONS Insignia

- Presented by the Lieutenant Governor on behalf of The King
- Stylized mayflower bearing the shield of arms of Nova Scotia and a Royal Crown
- Insignia is worn with a blue, white, red, and gold ribbon
- Also presented with a lapel pin for daily wear.
- Members of the Order are entitled to use the post-nominals ONS or ONÉ for francophones



Order of Nova Scotia Contacts

- Protocol and Honours Secretariat
One Government Place, 2nd Floor
1700 Granville Street
Halifax, Nova Scotia
B3J 1X5
- Email: OrderofNovaScotia@novascotia.ca
- Phone: 1-902-424-4199





RESOLUTION

Dove Program

- WHEREAS:** the Dove Program, founded by Paige Cox in 2022, began as a six-week initiative and has grown into a youth-led program that has positively impacted the lives of more than 40 girls in Cape Breton; and
- WHEREAS:** participants in the Dove Program have demonstrated exceptional community leadership, compassion, and civic responsibility through countless hours of volunteer service, fundraising activities, and acts of kindness aimed at improving the lives of others; and
- WHEREAS:** these young leaders have raised more than \$1,500 for community causes and have supported numerous initiatives and the actions of these young people reflect the values of generosity, kindness, and community spirit; and
- WHEREAS:** their commitment to helping others provides a positive example of leadership and illustrates the important role young people play in shaping the future of Cape Breton.
- BE IT THEREFORE RESOLVED:** that CBRM Mayor Cecil P. Clarke and Council extend their sincere appreciation and gratitude for the outstanding contributions of the Dove Program and wishes the program continued growth and success in the years ahead.

Councillor Earlene MacMullin - CBRM District #2
September 15th, 2026



PROCLAMATION

Dylan Taylor Memorial Day

WHEREAS:

Dylan Taylor was a beloved son, brother, father, family member, and friend whose life touched many people, and whose memory continues to inspire compassion, understanding, and community connection; and

WHEREAS:

in response to the tragic loss of Dylan to suicide, the Son of the Sea Project was established in his memory to raise awareness about suicide prevention, provide peer support to those who are struggling, and offer assistance to individuals and families throughout the community; and

WHEREAS:

the annual Dylan Taylor Memorial Ride, held on the first Saturday of September, brings together family, friends, supporters, and community members to honour Dylan's memory, remember all lives lost to suicide, support those affected by mental health challenges, and encourage open conversations, awareness, hope, and healing in advance of World Suicide Prevention Day.

**BE IT THEREFORE
RESOLVED:**

that CBRM Mayor Cecil P. Clarke and Council do hereby recognize the first Saturday of September of each year, as Dylan Taylor Memorial Day in the Cape Breton Regional Municipality.

Councillor Kim Sheppard-Campbell - CBRM District #12
September 15, 2026



PROCLAMATION

National Forest Week

WHEREAS:

the forests of the Cape Breton Regional Municipality are an essential part of our communities, providing clean air and water, wildlife habitat, recreational opportunities, and supporting the social, environmental, and economic well-being of our residents; and

WHEREAS:

National Forest Week encourages Canadians to recognize the importance of our forests and to promote responsible stewardship, conservation, and the sustainable management of these valuable natural resources; and

WHEREAS:

September 23rd is recognized as National Tree Day, providing an opportunity to celebrate the many benefits of trees and to encourage the planting, care, and protection of trees in our communities.

**BE IT THEREFORE
RESOLVED:**

that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim September 20th to 26th 2026, as National Forest Week in the Cape Breton Regional Municipality.

Councillor Steven MacNeil - CBRM District #8
September 15th, 2026



PROCLAMATION

Arthritis Awareness Month

<u>WHEREAS:</u>	Arthritis is one of the most common chronic health conditions, affecting more than 6 million Canadians of all ages, including many residents of the Cape Breton Regional Municipality; and
<u>WHEREAS:</u>	the impact of arthritis can limit participation in work, family life, and recreational activities, and is a leading cause of disability in Canada; and
<u>WHEREAS:</u>	research, education, early diagnosis, and access to appropriate treatment and supports are essential to improving the quality of life for those living with arthritis; and
<u>WHEREAS:</u>	Arthritis Awareness Month provides an opportunity to raise public understanding, reduce stigma, and encourage support for individuals, families, and caregivers affected by arthritis.
<u>BE IT THEREFORE RESOLVED:</u>	that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim September 2026, as Arthritis Awareness Month in the Cape Breton Regional Municipality.

Deputy Mayor Glenn Paruch – CBRM District #6
September 15, 2026



PROCLAMATION

World Suicide Prevention Month

<u>WHEREAS:</u>	many loved ones in our Cape Breton communities have been lost to suicide often through overwhelming feelings of depression, hopelessness, and helplessness; and
<u>WHEREAS:</u>	suicide prevention is a shared community responsibility that requires education, awareness, and compassion and by talking openly about suicide, we can reduce stigma, encourage help-seeking behaviour and foster hope; and
<u>WHEREAS:</u>	World Suicide Prevention Month, observed annually during the month of September, promotes the global message that suicide is preventable and encourages communities to come together to support people who may be struggling, remember those we have lost, support those who have been affected by suicide, and advocate for life-saving resources and services; and
<u>WHEREAS:</u>	communities have an important role to play in creating environments where people feel supported, connected, and able to reach out for help when they need it; and
<u>WHEREAS:</u>	we encourage all citizens to join in raising awareness, reducing stigma, supporting one another, and promoting hope, connection and suicide prevention throughout our community.
<u>BE IT THEREFORE RESOLVED:</u>	that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim September 2026, as World Suicide Prevention Day in the Cape Breton Regional Municipality.



PROCLAMATION

World Lymphoma Awareness Month

- WHEREAS:** lymphoma is a cancer of the lymphatic system and is among the most common blood cancers worldwide, affecting people of all ages, including many in our own community; and
- WHEREAS:** World Lymphoma Awareness Month, observed each September, is dedicated to raising awareness of the signs and symptoms of lymphoma, promoting the importance of early diagnosis, and supporting continued advances in research and treatment; and
- WHEREAS:** World Lymphoma Awareness Day, held annually on September 15, unites individuals, families, health organizations, and communities around the globe in support of those affected by lymphoma, while highlighting the need for education and improved access to care; and
- WHEREAS:** the Cape Breton Regional Municipality recognizes the strength and resilience of all those living with lymphoma, their families, caregivers, and survivors, and stands in solidarity with them in their journey; and
- WHEREAS:** we encourage all citizens to learn more about lymphoma and support those affected in our community.
- BE IT THEREFORE RESOLVED:** that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim September 2026 as World Lymphoma Awareness Month in the Cape Breton Regional Municipality.



PROCLAMATION

Mitochondrial Disease Awareness Month

WHEREAS:

the human body is powered by trillions of microscopic structures called mitochondria, which produce the energy needed for our cells to function, and when these structures do not work properly, mitochondrial diseases can occur; and

WHEREAS:

there are hundreds of mitochondrial diseases, many of which are difficult to diagnose, creating a need for greater awareness, research, improved diagnosis and treatment, and support for individuals and families living with mitochondrial disease; and

WHEREAS:

September is recognized as Mitochondrial Disease Awareness Month, providing an opportunity to raise awareness, share the experiences of those living with mito, recognize the dedication of the mitoCommunity, and encourage continued research and support for Canadians affected by mitochondrial disease.

**BE IT THEREFORE
RESOLVED:**

that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim September, 2026 as Mitochondrial Disease Awareness Month in the Cape Breton Regional Municipality.

Councillor Earlene MacMullin - CBRM District#2
September 15th, 2026



PROCLAMATION

Dystonia Awareness Month

WHEREAS:

dystonia is a chronic, neurological movement disorder characterized by involuntary muscle contractions that cause twisting, repetitive movements, and abnormal postures, affecting people of all ages and backgrounds; and

WHEREAS:

it is estimated that thousands of Canadians are living with dystonia, and increased public awareness and understanding are essential to improving quality of life, promoting early diagnosis, and supporting research into better treatments and a cure; and

WHEREAS:

designating September as Dystonia Awareness Month provides an opportunity to shine a light on this often-misunderstood condition, to stand with those affected, and to encourage continued research, treatment, and community support.

**BE IT THEREFORE
RESOLVED:**

that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim September 2026, as Dystonia Awareness Month in the Cape Breton Regional Municipality.

Councillor Steve Gillespie - CBRM District #4
September 15th, 2026



PROCLAMATION

Nigerian Independence Day

<u>WHEREAS:</u>	Cape Breton Regional Municipality is home to a vibrant and growing Nigerian community whose members contribute to the social, cultural, and economic life of the municipality; and
<u>WHEREAS:</u>	Nigerians living in Cape Breton acknowledge that they reside on the traditional lands of Indigenous Peoples and value the welcome extended to them by communities with shared experiences of colonization; and
<u>WHEREAS:</u>	October 1, 1960, marks Nigeria's independence and the adoption of its national flag, symbolizing the nation's rich heritage, unity, and commitment to peace; and
<u>WHEREAS:</u>	Nigerians around the world celebrate Nigeria's Independence Day on October 1, providing an opportunity to recognize and celebrate the history, culture, and many contributions of Nigerians in Cape Breton, Nova Scotia, and beyond.
<u>BE IT THEREFORE RESOLVED:</u>	that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim October 1 st , 2026, as Nigerian Independence Day in the Cape Breton Regional Municipality.

Councillor Darren O'Quinn - CBRM District #11
September 15th, 2026



PROCLAMATION

Wrongful Conviction Day

WHEREAS:

the loss of one's freedom due to a wrongful conviction has far-reaching and devastating consequences which not only affect the innocent individual's life but also affects the quality of life of their families and has a harmful affect our society as a whole; and

WHEREAS:

wrongful convictions question the integrity and fairness of the criminal justice system and unless corrected undermines societies trust in their criminal justice system; and

WHEREAS:

through education, advocacy, and support, we can work to prevent wrongful convictions and ensure that justice is rightly served for all citizens.

**BE IT THEREFORE
RESOLVED:**

that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim October 2nd, 2026, Wrongful Conviction Day in the Cape Breton Regional Municipality.

Councillor Gordon MacDonald - CBRM District #1
September 15th, 2026



PROCLAMATION

Fire Prevention Week

- WHEREAS:** the Cape Breton Regional Municipality is committed to ensuring the safety and security of all those who live, work, and visit our community; and
- WHEREAS:** Fire Prevention Week is observed annually to raise awareness about fire safety and to encourage individuals, families, and communities to take proactive steps to prevent fires and reduce the risk of injury and loss of life; and
- WHEREAS:** Fire Prevention Week 2026 will be observed from October 4 to October 10, 2026, with the national theme “Charge into Fire Safety: Safe Charging Is a Superpower,” highlighting the importance of safely using and charging lithium-ion batteries found in many everyday devices; and
- WHEREAS:** educating residents about proper charging practices, recognizing potential battery hazards, and following manufacturer safety guidelines can help prevent fires, protect property, and keep our communities safe; and
- BE IT THEREFORE RESOLVED:** that CBRM Mayor Cecil P. Clarke and Council do hereby proclaim October 4th to 10th, 2026, as Fire Prevention Week in the Cape Breton Regional Municipality.

Councillor Dave MacKeigan - District #9
September 15th, 2026

**Request to Deem Municipal Property Surplus – PID 15182306
Intersection of Whitney / Davenport and Ashby Road, Sydney**

Motion

Moved by Deputy Mayor Paruch, seconded by Councillor Gordon MacDonald, that Committee of the Whole recommend to Council to retain the subject property as municipal green space. The municipality would continue to incur cost associated with the ongoing maintenance and management of the property while receiving no additional revenue or tax assessment benefit.

Discussion:

- Potential use of property
- Public interest and potential proposals for the property
- Options for retaining the property or declaring it surplus

Motion Carried



STAFF REPORT

TO: Mayor and Council

SUBMITTED BY: Sheila Kolanko – Property Manager

DATE: September 8th, 2026

SUBJECT: Request to Deem Municipal Property Surplus – PID 15182306
Intersection of Whitney/Davenport and Ashby Road, Sydney

RECOMMENDATION

It is recommended that council:

1. Declare the municipal-owned property identified as PID 15182306 and located at the intersection of Davenport, Whitney and Ashby Road, Sydney surplus to the needs of the municipality;
2. Authorize staff to proceed and issue a public Expressions of Interest (EOI) to identify potential development opportunities for the site; and
3. Direct staff to report back to Council with the results of the EOI process and recommendations regarding the disposition and development of the property.

ORIGIN

Through its ongoing review of municipally owned properties, staff identified property located at the corner of Davenport, Whitney and Ashby Road, Sydney (hereinafter referred to as “subject property”) as a potential site to support future residential development. The subject property is outlined in yellow on the attached map (Attachment “A”).

LEGISLATIVE AUTHORITIES AND RELATED POLICIES

Municipal Government Act (MGA)

Section 50 (5) (b) A municipality may sell property at market value when the property is no longer required for the purposes of the Municipality.

Property Management Policies

PURPOSE

The purpose of this report is to seek Council approval to declare the subject property surplus to the needs of the municipality and authorize staff to proceed with a public Expressions of Interest process to explore residential development opportunities.

BACKGROUND

The subject property contains approximately 30,875 square feet and currently assessed at \$77,700. The subject property fronts on 3 public streets and has access to municipal services. It is listed in the inventory database as deemed “essential lands for a greenspace under recreation”. The subject property was never formally established, dedicated, or developed as a municipal park. Rather, the lands have functioned primarily as undeveloped green space.

ANALYSIS/DISCUSSION

The subject property is a significant parcel of municipally owned land situated within an area that is suitable for residential development.

An internal circulation and review of the subject property was conducted with relevant municipal departments to determine whether the lands may be required for current or future municipal purposes. Staff indicated that the lands are not required for municipal operations, public works infrastructure or recreation services. Staff did note that given the municipality's ongoing interest in supporting housing development and addressing CBRM's housing supply needs, staff believe the property presents a valuable opportunity for future residential use.

As part of the review process, the legal department conducted a title search to determine whether there were any legal restrictions, covenants, or other encumbrances requiring the property be retained or used solely for recreational purposes. The title search confirmed that no such restrictions exist. There are no legal obligations requiring the municipality to maintain the property as a green space or park, nor are there any registered conditions limiting its future use for residential development.

Accordingly, the internal review supports that the property be deemed surplus and aligns with the recommendation to explore future residential development opportunities through a public Expressions of Interest process.

OPTIONS / ALTERNATIVES

Council has 2 options:

Option 1: Retain the subject property as municipal green space. The municipality would continue to incur cost associated with the ongoing maintenance and management of the property while receiving no additional revenue or tax assessment benefit.

Option 2: Declare the subject property surplus and invite Expressions of Interest for future development. Future sale and development of the property could generate one-time sale proceeds, increased property tax revenues, and long-term economic benefits associated with residential growth and construction activity.

IMPACT ASSESSMENTS

Financial Considerations

Should the municipality dispose of the property for development purposes, several positive financial impacts will result, including generating revenue from the sale of municipal land and increase in property tax revenues, eliminating ongoing municipal maintenance costs associated with managing the undeveloped property and the economic benefits associated with construction activity.

The extent of these financial benefits would of course depend on the scale of the residential development undertaken on the site.

COMMUNITY ENGAGEMENT

Should Council approve the recommendation, staff will undertake a public Expressions of Interest process. Information regarding the opportunity will be publicly advertised and interested parties will be invited to submit development proposals for consideration.

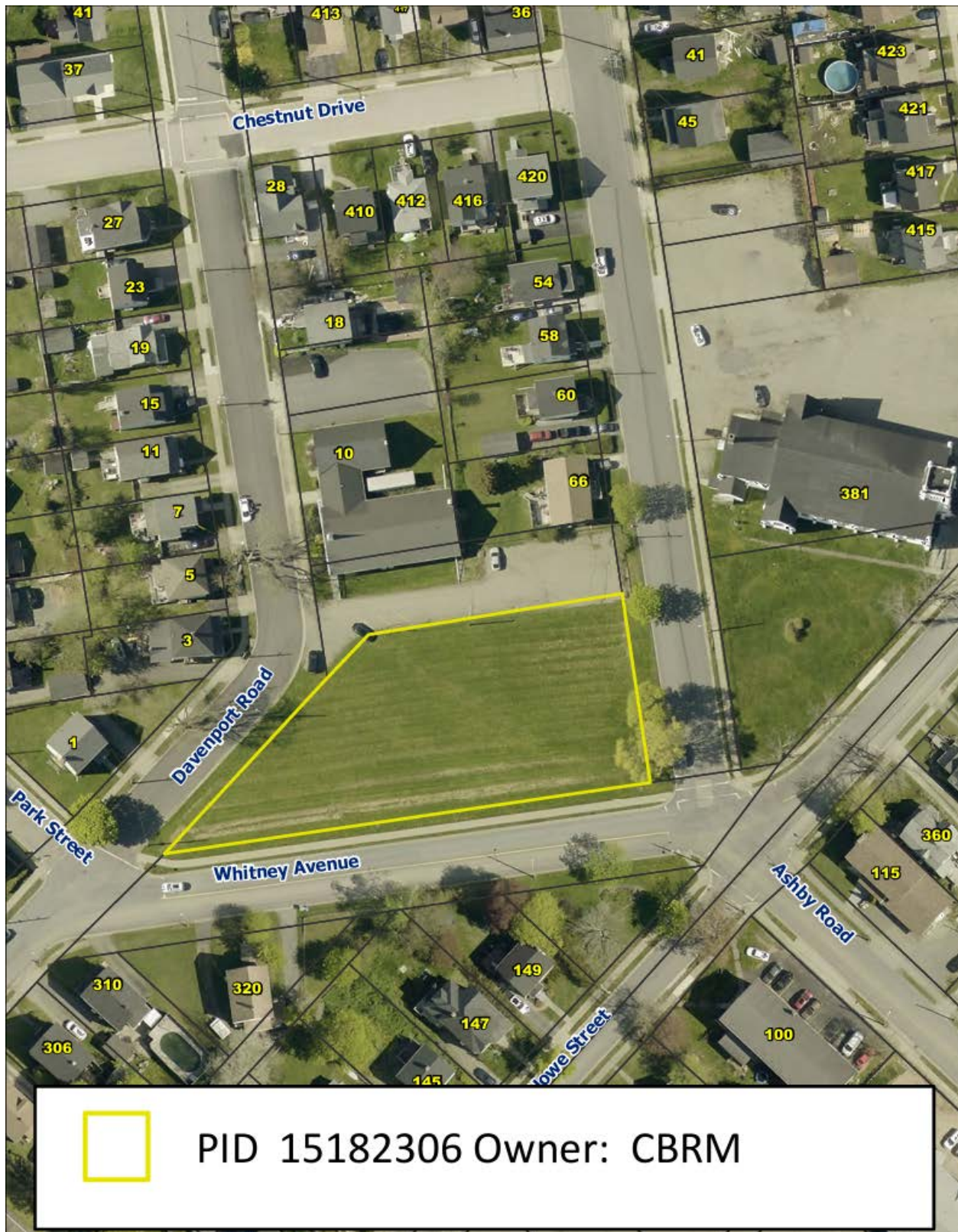
APPROVALS

This report has been reviewed and endorsed by the CAO, Demetri Kachafanas and the Regional Solicitor, Tony Mozvik as outlined in the attached Report Approval Sheet (see Attachment “B”).

ATTACHMENTS

- Attachment “A” – Map of Subject Property identified as PID 15182306
- Attachment “B” – Report Approval Sheet

ATTACHMENT "A"



ATTACHMENT “B”

REPORT APPROVAL SHEET

Title: Request to Deem Municipal Property Surplus – PID 15182306

Intersection of Whitney/Davenport and Ashby Road, Sydney

Council Meeting Date: September 8th, 2026

Report Prepared By:

Sheila Kolanko - Property Manager

Date: _____

Review and Approval

The undersigned have reviewed this report and support its submission to Council for consideration.

Regional Solicitor

I have reviewed this report and confirm that the legal information and recommendations contained herein are appropriate for Council's consideration.

Tony Mozvik, KC

Regional Solicitor

Date: _____

Chief Administrative Officer

I have reviewed this report and support the recommendations contained herein for Council's consideration.

Demetri Kachafanas, KC

Chief Administrative Officer

Date: _____

Request to Convey Municipal Property Surplus to New Aberdeen Revitalization Affordable Housing Society – PID 15438906, Vacant Property – Third Street, Glace Bay

Motion

Moved by Councillor Nickituk, seconded by Councillor MacKeigan, that Committee of the Whole recommend to Council to direct staff to transfer the municipal-owned vacant property identified as PID 15438906 located at Third Street, Glace Bay to the New Aberdeen Revitalization Affordable Housing Society for the purchase price of \$1.00, subject to application for a building permit within one year of the applicant acquiring title to the property; and authorize the Mayor and Clerk to execute all documents necessary to complete the transfer to the said Society.

Discussion:

- One-year permit requirement secured by covenant, CAO may grant extensions
- Sale subject to survey

Motion Carried



STAFF REPORT

TO: Mayor and Council

SUBMITTED BY: Sheila Kolanko – Property Manager

DATE: September 8th, 2026

SUBJECT: Request to Convey Municipal Property Surplus to New Aberdeen
Revitalization Affordable Housing Society – PID 15438906
Vacant Property – Third Street, Glace Bay

RECOMMENDATION

It is recommended that council:

1. Direct staff to transfer the municipal-owned vacant property identified as PID 15438906 located at Third Street, Glace Bay to the New Aberdeen Revitalization Affordable Housing Society for the purchase price of \$1.00, subject to application for a building permit within one year of the applicant acquiring title to the property; and
2. Authorize the Mayor and Clerk to execute all documents necessary to complete the transfer to the said Society.

ORIGIN

CBRM received a request from the New Aberdeen Revitalization Affordable Housing Society requesting the municipality to transfer a vacant parcel of land located at Third Street, Glace Bay (hereinafter referred to as “subject property”) for consideration of \$1.00. The subject property is outlined in yellow on the attached map (Attachment “A”).

LEGISLATIVE AUTHORITIES AND RELATED POLICIES

Municipal Government Act (MGA)

Sale or lease of municipal property

51 (1) A municipality may sell or lease property at a price less than market value to a nonprofit organization that the council considers to be carrying on an activity that is beneficial to the municipality.

(2) A resolution to sell or lease property referred to in subsection (1) at less than market value shall be passed by at least a two thirds majority of the council present and voting.

(3) Where the council proposes to sell property referred to in subsection (1) valued at more than ten thousand dollars at less than market value, the council shall first hold a public hearing respecting the sale.

(4) The council shall advertise the public hearing at least twice, in a newspaper circulating in the municipality, the first notice to appear at least fourteen days before the hearing.

(5) The notice of the public hearing shall include the date, time and place of the hearing, the location of the real property or a description of the tangible personal property, the estimated value of the property and the purpose of the sale.

PURPOSE

The purpose of this report is to seek Council's direction to proceed with the transfer of the vacant municipal property to the New Aberdeen Revitalization Affordable Housing Society as part of an ongoing community revitalization initiative previously endorsed by Council.

BACKGROUND

Council previously recognize the neighborhood of New Aberdeen, Glace Bay as a revitalization area within the CBRM. This initiative was established to encourage residential development, increase assessment and tax revenues, attract new residents, and support the long-term revitalization of the community. At that time direction was given to staff to facilitate the transfer of certain vacant municipal lands to the Society for the nominal purchase price of **\$1.00**.

The society has been working with an interested party regarding the subject property. The subject property contains approximately 4000 square feet and currently assessed at \$7,000. The subject property fronts on a public street and has access to municipal services. The potential applicant wishes to develop a residential dwelling on the subject property.

ANALYSIS/DISCUSSION

The proposed approach is consistent with Council's previous direction regarding community revitalization efforts associated with the project. The Society will be responsible for the migration of the property and registration of the deed. The Society will sell the property to the interested applicant for \$3000. This will offset the Society's legal and administrative costs. Any surplus funds remaining after costs are paid will be reinvested into the community through community projects, events, beautification initiatives, or other revitalization activities undertaken by the Society. The applicant has already provided the required deposit to the Society. The proposed sale agreement between the Society and the purchaser will require the purchaser to apply for a building permit within one (1) year of acquiring the subject property.

An internal circulation and review of the subject property was conducted with relevant municipal departments. Staff indicated that the property is not required for municipal purposes.

OPTIONS / ALTERNATIVES

Council has 3 options:

Option 1: Approve the property transfer as recommended. This would support a previously approved council initiative.

Option 2: Retain ownership of the property. Council could decide not to proceed with the transfer; however this would delay or possibly prevent the proposed residential development.

Option 3: Sell the property directly to the applicant. This option would not be consistent with the community revitalization framework previously approved by Council.

IMPACT ASSESSMENTS

Financial Considerations

Although the municipality will forego the market value of the vacant lot, it would benefit by the increased property assessment and future property tax revenue. There are no municipal costs associated with the transfer of the subject property, as all cost will be the responsibility of the Society.

COMMUNITY ENGAGEMENT

The subject vacant property has a current assessed value of \$7000. As the value of the property is below \$10,000 as set out in Section 51 of the MGA, a public hearing is not required prior to the transfer of the property to the Society.

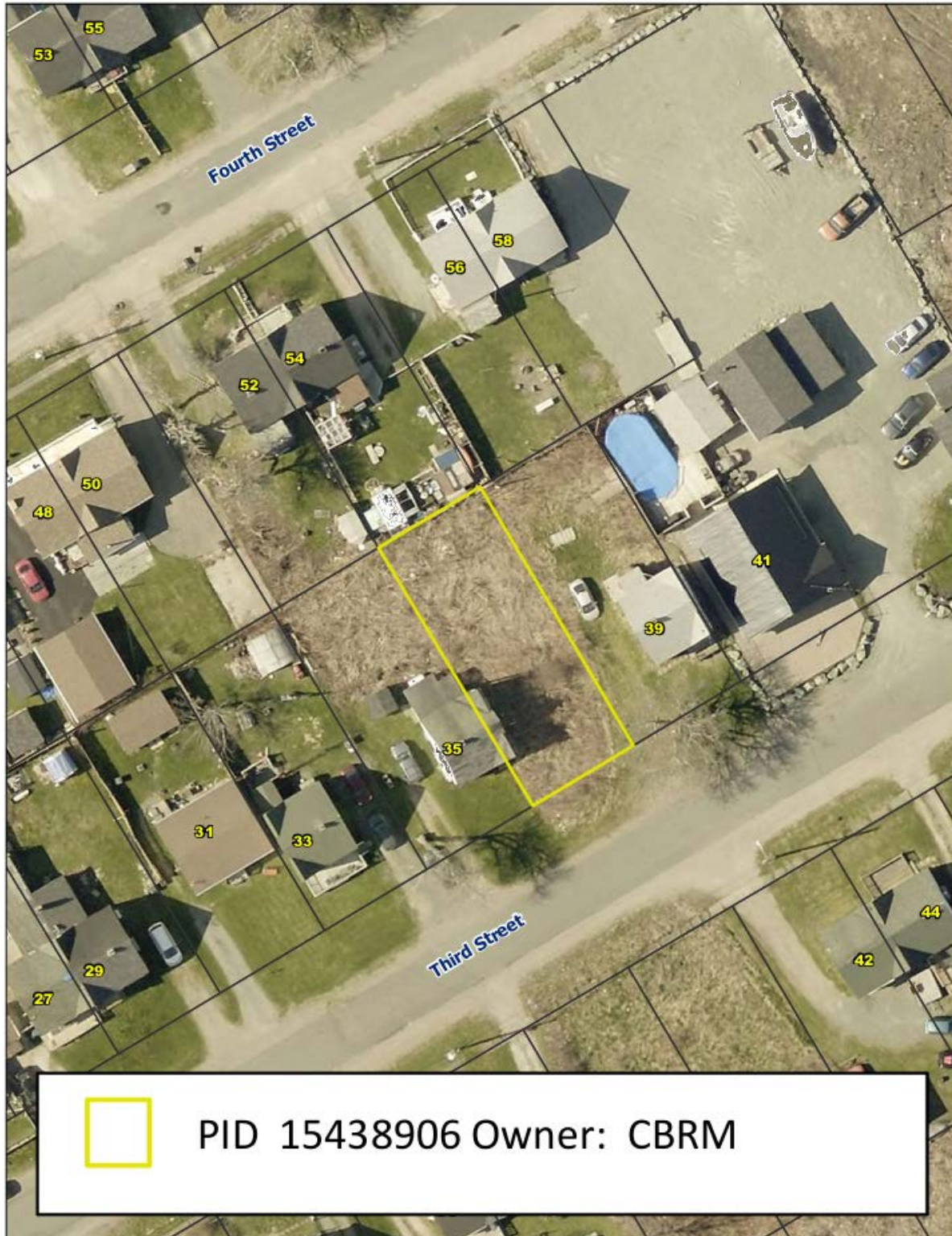
APPROVALS

This report has been reviewed and endorsed by the CAO, Demetri Kachafanas and the Regional Solicitor, Tony Mozvik as outlined in the attached Report Approval Sheet (see Attachment “B”).

ATTACHMENTS

- Attachment “A” – Map of Subject Property identified as PID 15438906
- Attachment “B” – Report Approval Sheet

ATTACHMENT "A"



ATTACHMENT "B"
REPORT APPROVAL SHEET

Report Prepared By: _____

Sheila Kolanko – Property Manager

Date

Title: Request to Transfer Municipal Property to New Aberdeen Revitalization Affordable Housing Society

Third Street, Glace Bay (PID 15438906

Council Meeting Date: September 8th, 2026

Review and Approval

The undersigned have reviewed this report and support its submission to Council for consideration.

Regional Solicitor

I have reviewed this report and confirm that the legal information and recommendations contained herein are appropriate for Council's consideration.

Tony Mozvik, KC
Regional Solicitor

Date

Chief Administrative Officer

I have reviewed this report and support the recommendations contained herein for Council's consideration.

Demetri Kachafanas, KC
Chief Administrative Officer

Date

Approval of Water Utility Administrative Protocols

Motion

Moved by Councillor Gordon MacDonald, seconded by Councillor MacMullin, that Committee of the Whole recommend to Council to approve the Protocol for NSRAB Approval of Capital Projects > \$250,000 (Attachment 1), which is included in the agenda package; and approve the Water Utility Cost Allocation Protocol (Attachment 2), which is included in the agenda package.

Motion Carried



STAFF REPORT

TO: Mayor and Council

SUBMITTED BY: Raymond Boudreau, Director Water & Wastewater

DATE: September 15, 2026.

SUBJECT: Approval of Water Utility Administrative Protocols.

ORIGIN

Staff initiated. The Committee of the Whole considered the report on September 8, 2026 and recommenced approval by Council.

LEGISLATIVE AUTHORITIES AND RELATED POLICIES

The Protocol for NSRAB Approval of Capital Projects > \$250,000 is intended to support compliance with Section 35 of the Public Utilities Act:

“35 (1) No public utility shall proceed with any new construction, improvements or betterments in or extensions or additions to its property used or useful in furnishing, rendering or supplying any service which requires the expenditure of more than two hundred and fifty thousand dollars without first securing the approval thereof by the Board.”

The Cost Allocation Protocol supports compliance with regulatory requirements governing accounting and financial transparency under the Public Utilities Act. The most direct example being Section 29 of the Public Utilities Act:

29 (1) “The Board may provide for the examination and audit of all accounts, and all items shall be allocated to the accounts in the manner prescribed by the Board”

RECOMMENDATIONS

It is recommended that CBRM Council:

1. Approve the Protocol for NSRAB Approval of Capital Projects > \$250,000 (Attachment 1)
2. Approve the Water Utility Cost Allocation Protocol (Attachment 2).

PURPOSE

The purpose of this report is to seek Council approval of two Water Utility administrative protocols. The protocols were reviewed by the Committee of the Whole, which recommended their approval by Council. Adoption of the protocols will formalize current practices and respond to the Board's expectation that appropriate procedures and policies be in place to ensure consistent regulatory compliance and financial oversight.

BACKGROUND

The CBRM Water Utility is subject to oversight by the Nova Scotia Regulatory and Appeals Board (NSRAB) pursuant to the Public Utilities Act. As part of ongoing efforts to strengthen governance, improve transparency, and ensure regulatory compliance, staff have developed two administrative protocols for Council consideration.

The Protocol for NSRAB Approval of Capital Projects > \$250,000, establishes a formal process for the preparation, review, and submission of applications to NSRAB for approval of Water Utility capital expenditures as required under Section 35 of the Public Utilities Act.

The Water Utility Cost Allocation Protocol establishes a consistent framework for allocating shared municipal service costs to the Water Utility to support transparency, accountability and fair utility rate setting.

These protocols formalize existing administrative practices while establishing clear responsibilities and expectations for current and future administration.

ANALYSIS / DISCUSSION

Protocol for NSRAB Approval of Capital Projects > \$250,000

Section 35 of the Public Utilities Act requires NSRAB approval for utility capital acquisitions and expenditures greater than \$250,000. Historically, compliance with these requirements has

been achieved through administrative practice; however, no formal protocol currently exists to document responsibilities or submission procedures.

The proposed protocol:

- Establishes clear roles and responsibilities for staff
- Requires Council approval of Water Utility capital projects prior to submission to NSRAB.
- Ensures funding strategies are reviewed and validated by Finance before submission
- Reduces the risk of regulatory non-compliance and project delays

Formalizing this process will improve coordination among departments and ensure that future capital projects proceed in a manner consistent with regulatory requirements and accepted utility management practices.

Water Utility Cost Allocation Protocol

A significant portion of Water Utility operations relies upon services provided by other municipal departments, including Finance, Human Resources, IT, Legal, Procurement, Engineering and Public Works.

The proposed protocol provides a documented framework for allocating these shared costs to the Water Utility. Key components include:

- Identification of acceptable allocation methodologies for determining shared costs
- Annual reviews of cost allocations and assumptions during budget preparation
- Requirement for pre-approval of significant unbudgeted expenditures affecting the Utility
- Enhanced reporting, documentation and dispute resolution processes

Together, these protocols will strengthen Water Utility governance, improve transparency of utility finances and support regulatory compliance with NSRAB.

IMPACT ASSESSMENTS

Financial Considerations

There are no financial implications.

COMMUNITY ENGAGEMENT

No Community Engagement was required

ATTACHMENTS

Attachment 1 – Protocol for NSRAB Approval of Capital Projects > \$250,000

Attachment 2 – Water Utility Cost Allocation Protocol



Title	Protocol for NSRAB Approval of Capital Projects > \$250,000
Date	September 8, 2026
Revision Date	
Replaces	

1. Title

Protocol for NSRAB Approval of Capital Projects > \$250,000

2. Legislative Authorities & Related Procedures

Public Utilities Act, Section 35

Water Utility Accounting and Reporting Handbook

Procedure for NSRAB Approval of Capital Projects > \$250,000 and Appendices

3. Protocol Statement

All Water Utility capital expenditures with estimated costs greater than \$250,000 that require approval under Section 35 of the Public Utilities Act shall receive Council approval through the capital budget process, or by specific Council resolution where applicable, and obtain Nova Scotia Regulatory and Appeals Board (NSRAB) approval prior to tender award or project start, except in emergency circumstances permitted by legislation.

4. Purpose

The purpose of this protocol is to establish a clear, consistent, and auditable process for preparing and submitting applications to the NSRAB for capital acquisitions or capital expenditures with an estimated cost greater than \$250,000.

This protocol ensures:

- Compliance with Section 35 of the *Public Utilities Act*
- Alignment with annual capital budget approvals by Council
- Proper financial review, documentation, and justification for capital expenditures
- Transparent coordination between Water Utility Operations, Engineering, Public Works, and Finance

5. Scope

This protocol applies to:

- All capital acquisitions or projects undertaken by the CBRM Water Utility with a total estimated cost > \$250,000, regardless of funding source.
- All staff involved in capital planning, design, procurement, or financial approval of these projects.

6. Definitions

“Application”

A submission to the Board requesting approval of a Water Utility capital acquisition or capital expenditure under Section 35 of the Public Utilities Act.

“Board”

The Nova Scotia Regulatory and Appeals Board (NSRAB)

“Capital Project”

A capital acquisition, capital expenditure, or capital improvement undertaken by the Water Utility.

“Water Utility Management”

The Director of Water & Wastewater and designated Water Utility management and supervisory staff responsible for capital planning, budgeting, asset management, and regulatory compliance.

“CBRM Management”

Directors, Managers and designated supervisory staff from Engineering, Public Works, Finance and other departments participating in the development, review, funding, or implementation of Water Utility capital projects.

7. Roles and Responsibilities

7.1. Director of Water & Wastewater

- Provides oversight and final approval of all NSRAB submissions related to applications for capital acquisition
- Signs the formal cover letter to NSRAB
- Confirms Council approval of the Water Utility capital budget prior to submission

7.2. Water Utility Management

- Identify operational needs requiring capital investment.
- Lead preparation of applications to the Board
- Coordinate inputs from CBRM Management and participating departments.
- Propose initial funding plan for the project (i.e. grants vs depreciation vs reserves vs debt)
- Coordinate responses to Board information requests and submissions

7.3. CBRM Management

- Provide technical, financial, operational, and administrative support in the development and review of proposed capital projects
- Assist with project scope development, cost estimation, risk assessment, and funding recommendations.
- Provide information required to support Board applications and responses to Board inquiries.

7.4. Engineering Department

- Lead design development, cost estimating, scheduling and risk identification
- Ensure estimates include engineering, contingency, tax and escalation as appropriate
- Provide supporting documentation such as drawings, tender estimates, memos, engineering reports.
- Coordinate the development of long-term planning and asset management priorities supported by the CBRM Infrastructure Prioritization Framework.

7.5. Public Works Department

- Identify infrastructure deficiencies, recurring maintenance issues, service level concerns, and operational risks requiring capital investment
- Provide information respecting watermain breaks, system reliability, low pressure complaints, asset condition, maintenance history, and other operational performance indicators, where available.
- Assist in the development of project scope, prioritization, and justification
- Provide operational input in support of Board applications and responses to Board information requests.

7.6. Finance Department

- Review the appropriateness of the funding sources identified by the Water Utility for each project.
- Verify the availability and sufficiency of funds within the proposed reserve, debt, grant or other funding sources.
- Confirm that the proposed funding strategy is consistent with the Utility's long-term financial plan and regulatory requirements.
- Provide recommendations regarding any funding risk or alternative financing approaches.

7.7. CAO's Office

- Ensures Council approval has been properly granted
- Supports coordination between departments involved in the preparation and review of Board applications.

8. Requirements

- 8.1. All Water Utility capital projects shall first receive Council approval, prior to submission of an application to the Board. Evidence of Council approval shall form part of the application record.

- 8.2. All Water Utility capital projects with an estimated value greater than \$250,000 shall not proceed to tender award, contract execution, or construction until approval has been received from the Board, except where emergency provisions apply.
- 8.3. The Water Utility shall prepare an application for such projects in accordance with the Water Utility Accounting and Reporting Handbook and any requirements established by the Board.
- 8.4. Proposed funding sources shall be identified in the application by the Water Utility and reviewed by Finance for appropriateness, availability, and sufficiency prior to submission.
- 8.5. The Procedure for NSRAB Approval of Capital Projects > \$250,000 shall establish the detailed workflow, documentation requirements, application preparation process, and records management requirements necessary to implement this Protocol.
- 8.6. Applications shall be reviewed by Water Utility Management, Engineering, Public Works and Finance Departments prior to submission to the Board by the Director of Water & Wastewater.

9. Protocol Review Requirements

This protocol shall be reviewed annually prior to the capital planning cycle.

10. Communication

- The Director of Water & Wastewater shall ensure this Protocol is communicated to all staff involved in capital planning, project delivery, procurement, engineering, financial review and regulatory reporting activities.
- The Protocol and any supporting procedures shall be maintained in accordance with the appropriate CBRM administrative process and made available to affected staff.
- Updates to this Protocol or supporting procedures shall be communicated to relevant departments, including Water Utility Operations, Engineering, Finance, Public Works and the CAO's Office.
- Training or information sessions may be conducted as required to support consistent application of this Protocol.

11. Compliance

- Compliance with this Protocol is mandatory for all Water Utility capital projects subject to Section 35 of the Public Utilities Act.
- No project requiring Board approval shall proceed to tender award, contract execution, or construction unless the approvals required by this Protocol have been obtained, except where emergency provisions permitted by legislation apply
- Any actual or suspected non-compliance shall be reported to the Director of Water & Wastewater for review and corrective action
- Failure to comply with this Protocol may result in project delays, withdrawal of project approvals, additional reporting requirements or other regulatory consequences associated with non-compliance.



Title	Water Utility Cost Allocation Protocol
Date	September 8, 2026
Revision Date	
Replaces	

1. Title

Water Utility Cost Allocation Protocol.

2. Legislative Authorities & Related Policies

Public Utilities Act, Section 35

Nova Scotia Utility and Review Board – Water Utility Accounting and Reporting Handbook

3. Protocol Statement

This protocol establishes the framework and requirements for allocating shared municipal service costs to the Water Utility. It defines the methodologies, approval process, reporting requirements, and accountability measures used to ensure that allocated costs are reasonable, transparent, consistently applied and support regulatory compliance and fair utility rate setting.

4. Purpose

The primary objective of establishing a cost allocation protocol for municipal support services is to ensure transparency, fairness, and accountability in financial management. The protocol aims to clearly define how costs for shared services, such as, but not limited to accounting, procurement, human resources, legal, IT, and administrative support, are allocated to the utility. By formalizing this process, the utility can accurately reflect its financial obligations, ensure compliance with regulatory requirements, and support equitable cost recovery in rate setting. Additionally, the protocol enhances budgeting and financial planning by providing a consistent and predictable framework for allocating overhead costs.

5. Scope

This process applies to all shared services provided by CBRM departments, including but not limited to Engineering, Public Works, Legal, Occupational Health and Safety, Finance,

Procurement, IT, Fleet, and Customer Service. The process covers expense identification, allocation, review, and approval.

6. Definitions

Shared Services – a service provided by a CBRM department in support of Water Utility operations where all or a portion of the associated cost is recovered through utility rates.

Utility Leadership – The Director of Water & Wastewater or management designate authorized to review and approve allocations on behalf of the Water Utility

7. General Provisions and Principles

7.1. **Expense Identification & Allocation Methodology** A number of cost allocation methods are used to ensure fairness and accuracy depending on the service being provided:

7.1.1. **Direct Cost Allocation:** Costs directly attributable to the Water Utility (e.g., utility-specific equipment, contracts, or direct labor costs) will be allocated 100% to the utility.

7.1.2. **Proportional Cost Allocation (Usage-Based Allocation):** Costs are distributed based on measurable service usage by the water utility. Where actual data is not available, a reasonable estimate should be made. *Example: HR costs are allocated based on the number of employees in the water utility compared to the total number of municipal employees.*

7.1.3. **Fixed Fee or Flat Rate :** A predetermined amount is charged to the water utility, based on historical data or negotiated agreements.

7.2. **Annual Water Utility Transfer Calculation:** Agreed upon proportional cost allocations for wages and benefits of supporting department staff that make up the annual 'Water Utility Transfer' to CBRM is summarized in Schedule A.

8. Review and Approval Process

8.1. Annual Review and Budget Approval

Allocation methodologies, supporting assumptions, and proposed expense allocations shall be reviewed annually as part of the Water Utility budget preparation process.

As part of this review:

- Departments providing services to the Water Utility shall verify the expenses and allocation factors used in determining allocated costs.
- Finance shall review allocations for reasonableness, consistency, and compliance with this Protocol.
- Water Utility Leadership shall review proposed allocations to confirm alignment with operational requirements and the Utility's budget.

- Any adjustments to allocation methodologies or allocation percentages shall be documented and supported by appropriate rationale.

Allocated expenses shall be incorporated into the annual Water Utility Operating Budget. Following completion of the annual review process, the budget shall be presented for approval by CBRM Council and submitted to the Nova Scotia Regulatory and Appeals Board (NSRAB) in accordance with regulatory requirements.

8.2. **Comprehensive Review for Rate Applications**

In preparation for each Water Utility Rate Application, a comprehensive review of cost allocation methodologies, allocation factors, and supporting documentation shall be undertaken by Finance, Water Utility Leadership, and relevant municipal departments, with support from external consultants where appropriate.

The purpose of this review is to:

- Confirm that allocation methodologies remain reasonable, equitable, and reflective of actual service levels.
- Evaluate changes in organizational structure, staffing levels, service delivery models, and regulatory requirements.
- Identify and document any recommended changes to allocation methodologies for inclusion in the Rate Application.

8.3. **Pre-Approval of Unbudgeted or Non-Routine Expenditures**

To ensure transparency and alignment with approved budgets, any significant, non-emergency expenditure affecting the Water Utility that is not explicitly included in the approved annual operating or capital budget must receive prior approval from the Utility before work is initiated. This requirement applies to all municipal departments providing services to the Utility.

This includes any project or activity expected to result in material cost allocation to the Utility that was not previously identified in the approved budget. This includes but is not limited to:

- The Utility's share of road reconstruction or resurfacing projects
- Unplanned infrastructure work or upgrades
- Large-scale maintenance or capital-type interventions

8.3.1. Threshold for pre-approval

Departments must provide advance notification to Water Utility Leadership, for any unbudgeted or non-routine expenditure exceeding \$25,000 including:

- A description and scope of the work
- Rationale for the expenditure

- Estimated timing and total cost to the Water Utility

Written approval from the Utility is required prior to the commencement of work.

8.3.2. Emergency Exception

This requirement does not apply to emergency work required to protect public health, safety or critical infrastructure. In such cases, the responsible department must notify the Utility as soon as practicable and provide full cost details following completion.

8.3.3. Non-Compliance

Costs incurred without prior approval may be subject to review and could be deemed ineligible for allocation to the Utility, unless justified under the emergency provision or otherwise approved retrospectively.

8.4. Reporting and Transparency

8.4.1. Financial Reporting

- Detailed records supporting costs allocated to the Water Utility shall be maintained within the Municipality's financial management system, including applicable work orders, payroll allocations, journal entries, and general ledger transactions.
- Water Utility staff shall review allocated costs annually to confirm that expenditures charged to the Utility are reasonable, properly supported, and consistent with approved allocation methodologies.
- Variance analysis may be performed, where appropriate, to compare budgeted and actual expenditures and identify significant deviations requiring explanation.

8.4.2. Stakeholder Communication

- The Water Utility will provide regular updates to Council and other stakeholders. (At a minimum during annual budget deliberations)
- Justification for any significant changes in expense allocation will be provided during these reviews.

8.4.3. Dispute Resolution

If disagreements arise over expense allocation, the following steps will be followed:

- Step 1: Initial discussion between the Utility and relevant municipal department.
- Step 2: Review by the Finance Department for an impartial assessment.
- Step 3: Escalation to CAO for review and final decision.

9. Protocol Review Requirements

9.1. Protocol Review

This Protocol shall be reviewed periodically to ensure it remains current, effective, and aligned with applicable regulatory requirements, organizational structures, and operational practices.

A comprehensive review of the Protocol shall be undertaken in conjunction with the preparation of each Water Utility Rate Application, or more frequently if significant changes occur that affect the allocation of costs to the Water Utility.

Recommended revisions to the Protocol shall be documented and approved through the appropriate CBRM administrative process prior to implementation.

9.2. Stakeholder Feedback

The review process shall incorporate input from Water Utility staff, Finance, and other municipal departments that provide services to the Water Utility. Feedback from regulators, external consultants, auditors, and other stakeholders shall also be considered, where applicable, to improve the effectiveness, transparency, and consistency of the cost allocation process.

New Solid Waste Rates Contract with Circular Materials

Motion

Moved by Councillor Gordon MacDonald, seconded by Councillor Eldon MacDonald, that Committee of the Whole recommend to Council to adopt the new contract with Circular Materials for new rates and term for collection of recyclables and have the CAO execute the contract. This action is required immediately to realize the new fees.

Motion Carried



STAFF REPORT

TO: Mayor and Council

SUBMITTED BY: John Phalen, Director Public Works

DATE: September 1, 2026

SUBJECT: New Solid Waste Rates Contract with Circular Materials

RECOMMENDATION

It is recommended that Council adopt the new contract with Circular Materials for new rates and term for collection of recyclables and have the CAO execute the contract. This action is required immediately to realize the new fees.

ORIGIN

CBRM agreed to the current contract with Circular Materials last year based on a two-year term to be re-negotiated at the end of the term. The current agreement expires December 31, 2027.

Upon review of the current rates, CBRM officials feel that our current rates, that were previously negotiated, are not comparative of rates in other municipalities and are unique to those across the province.

Solid Waste opened the discussion with Circular Materials, and they agreed to look at the rates with us.

PURPOSE

Staff need an approval from Council to immediately approve the contract. Approval will give CBRM immediate benefit of increased revenues and the security of a long term contract to provide stability to CRM collection operations.

BACKGROUND

The province approved Extended Producer Responsibility (EPR), which took effect January 1, 2026.

Circular Materials, a nonprofit made up the major producers that produce the products that require recycle collection, was recognized as the preferred entity to administer the program with the province.

Municipalities we given the option to opt out of the program or negotiate a collection rate with Circular Materials. CBRM Council approved the option to adopt the EPR program in November of 2023. CBRM officials negotiated the current rate and term, and Council approved the contract with Circular Materials in May of 2025.

CBRM has been collecting recyclables as per the Circular Materials Contact since January 1, 2026.

ANALYSIS / DISCUSSION

CBRM has an agreement with Circular Materials that represents and increase from \$ 4.50 per stop per month to \$ 6.00 per stop per month. The new contract is for a term of seven years with two one-year renewals for a nine-year contact.

We can foresee an increase in revenue of \$ 800,000 per year.

The contact has provision for cost of living increases each year.

CBRM legal department has reviewed the contract documents and don't foresee any issues with it. It was compared with the previous contact to determine any major changes etc.

IMPACT ASSESSMENTS

If Council approves this recommendation of staff, there are no extra costs that CBRM will have to expend and no further budget request.

A copy of this report can be obtained online at www.cbrm.ns.ca or by contacting the Office of the Municipal Clerk at 902-563-5010.

Report Prepared by: John Phalen Director, Public Works

New Waterford Community Crisis Response Task Force

Motion

Moved by Councillor O'Quinn, seconded by Councillor Nickituk, that Committee of Whole recommend to Council to direct the Mayor to request the Premier commit the Minister of Health & Wellness, Minister of Mental Health and Addictions, Attorney General and Minister of Justice, and Minister of Opportunities and Development to establish a "New Waterford Community Crisis Response Task Force" in collaboration with the Cape Breton Regional Municipality and community partners; and further direct the Mayor to request the Federal Minister of Public Safety and the Member of Parliament for Sydney-Glace Bay to formalize supports for crime prevention and intervention programming in partnership with the municipality and community partners.

Motion Carried



City Hall
320 Esplanade Sydney, NS
B1P 7B9

Council Agenda Request Form

- | | | |
|--|---|--|
| ☐ Included on Agenda
(Submitted to Municipal Clerk's Office by 4:30 pm seven days before the meeting) | ☐ Late Item
(Submitted to Municipal Clerk's Office by Noon the day before the meeting) | ☐ Request from the Floor: (New Business) <ul style="list-style-type: none"> - Announcement - Referral - Submit Petition - Notice of Motion |
|--|---|--|

Date of Council Meeting: September 8, 2026

Subject: New Waterford Community Crisis Response Task Force

Motion for Council to Consider:

That Council direct the Mayor to request the Premier commit the Minister of Health & Wellness, Minister of Mental Health & Addictions, Attorney General & Minister of Justice, and Minister of Opportunities & Development to establish a "New Waterford Community Crisis Response Task Force" in collaboration with the Cape Breton Regional Municipality and community partners; and further direct the Mayor to request the Federal Minister of Public Safety and the Member of Parliament for Sydney-Glace Bay to formalize supports for crime prevention and intervention programming in partnership with the municipality and community partners.

Rationale:

There are growing concerns about drugs, crime, property damage and the fear and frustration these issues are creating for residents. A community meeting was held on Wednesday, August 19th, 2026 with over 600 citizens in attendance. The meeting was an opportunity to talk openly about the concerns being raised, but more importantly, to begin looking at what can be done about them.

The Cape Breton Regional Police Service, CBRM Mayor, Police Commission Chair, MLA for Cape Breton Centre-Whitney Pier and myself as Councillor for District 11 were present to hear what the community are seeing, what challenges they are facing, and what steps can be taken. Many Councillors attended in support for the community meeting focused on practical actions that can make a difference quickly, including increased police visibility, identifying problem areas, improving reporting and communication, and looking at municipal actions that can help make New Waterford safer.

It was recognized that addressing drugs and crime requires both accountability and compassion. Addressing criminal activity and public safety concerns also need to identify and address the underlying issues of addiction, poverty, housing and access to support. The meeting was not about blaming individuals or groups. It was about the community coming together to identify problems, share ideas and find solutions.

Citizens in attendance voiced different opinions, experiences and frustration which became emotional at times for some. Every citizen that requested to speak was given the opportunity to be heard.

Citizens came to the public meeting because they care about New Waterford. We care about our businesses, we care about our seniors, our children and we care about our neighbours and people in our community who are struggling.

The other levels of government need to step up and provide resources New Waterford so badly needs and deserves. Leading up to the meeting, and following, discussions were being held with the Mayor, Council colleagues, Cape Breton Regional Police Service, provincial ministers and local MLA, the MP for Sydney-Glace Bay, concerned citizens and community stakeholders. Since then, I am pleased to say the response, actions and follow-up have been helpful and encouraging about what can be done to more fully address the community's crisis.

Outcome Sought:

To request Council's support to engage CBRM administration, the province and federal government to respond to the crisis within New Waterford.

<i>Councillor: Darren O'Quinn</i>	<i>Received by Clerk's Department (date):</i>
<i>Date: September 2, 2026</i>	<i>September 2, 2026</i>

**Excerpt: DRAFT Police Commission Meeting Minutes –
September 9, 2026**

CBRPS Cost Recovery

Motion

Moved by Commissioner Sheppard-Campbell, seconded by Commissioner Tracey, that the CBRM Board of Police Commissioners recommend to Council to adopt the proposed Fee Structure Policy and Procedure, which is included in the agenda package, for the Cape Breton Regional Police Services.

Discussion:

- Support was expressed for the proposed fee structure
- Municipal fee comparisons
- Request for additional comparisons for motor vehicle accident reports
- Fingerprinting process

Motion Carried



STAFF REPORT

TO: Police Commission
FROM: Cape Breton Regional Police Service
SUBJECT: CBRPS COST RECOVERY
DATE: September 9th, 2026

Overview:

Proposal Type: ☐ Business Transformation Initiative ☐ ICT Systems ☒ Other (<i>specify</i>) Fee Structure	Program/Service Impact: ☐ New Program/Service ☐ Expansion of Existing Program/Service ☐ Change/Repurposing of Existing Program/Service	Asset Type Impact: ☐ Building ☐ Equipment ☐ Land
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Purpose

The purpose of this Staff Report is to recommend Council adopt the proposed fee structure for police services.

Background

The CBRPS offers full-service policing to the communities and individuals within the CBRM. Information management services constitute a significant portion of customer service activities provided to the public through police. This number of record checks has grown by 3000 since 2023 as a result of increasing growth from the broader community and policy adjustments in outside organizations. Each year, the CBRPS processes over 9500 police record checks.

Record check distribution and contents are governed by federal laws including the *Criminal Records Act* which outlines the information that is safeguarded and the conditions under which police record information is maintained including the access and disclosure of that information. Accessing the federal Canadian Police Information Center (CPIC) to search records requires personnel training and policy knowledge for adherence to these federal regulations. When a record check gets 'flagged', the CBRPS must then acquire and submit fingerprints to CPIC in Ottawa for vetting. Recent increases in volumes and subsequent federal 'flagging' of checks have increased processing costs.

Another increase being proposed is the Motor Vehicle Collision report fee when reports are requested by insurance companies and law firms. These reports are processed by our civilian administrative staff. With the Collision Reporting Center handling most of our accident report requests, there has been a decline in direct revenue from collision reports. Adjusting our fees to be consistent with comparable jurisdictions will help ensure cost recovery with no direct impact to the public.

Costs are directly associated with the production of routine, non-emergency requests and include paper, ink, lab fees, and other costs directly related to these services.

Discussion

Routine information services are an optional provision by CBRPS. They are not legislated nor do they fall within the mandates of emergency response or criminal investigation. As such, the offer is often contingent on partial or full recovery. To illustrate how other areas are offsetting these service costs, comparison data is included below. A side-by-side comparison from the current amounts to the future amounts highlights the increases and areas that remain status quo.

Motor Vehicle Accident Report Comparison to other services:

SERVICE	CURRENT CBRPS	YORK	OTTAWA	LONDON
Motor Vehicle Accident Reports	\$34.20	\$59.89	\$50.00	\$59.89

Record Check Comparison to other services:

Service	Current CBRPS Fee	Average Comparable Fee*
Standard Criminal Record Check (Adult)	\$30.00	\$55.00
Student Criminal Record Check	\$15.00	\$35.00
Volunteer Criminal Record Check (In-person)	\$0.00	\$0.00
Duplicate Record Check	\$5.00	\$5.00
Fingerprinting – LiveScan/Ink	\$50.00	\$55.00

* Based on a review of five similarly sized Canadian police services (York, Ottawa, London, Halifax, Winnipeg).

Current and proposed Record Check/MVC Report fees for CBRPS:

SERVICE	CURRENT CBRPS RECORD CHECKS	PROPOSED CBRPS RECORD CHECKS	CURRENT CBRPS MVC REPORT	PROPOSED CBRPS MVC REPORT
RECORDS & SECURITY				
Criminal Record Check Standard including students	\$15 Student \$30 Standard	\$15 Student \$50 Standard	\$34.20	\$50.00
Criminal Record Check Standard Volunteers	\$0 with volunteer letter	\$9.95 *if processed online*		
Criminal Record Check duplicate	\$5	\$5		
Criminal Record Check Rush Fee	-----	\$40		

The CBRPS cost recovery policy has not been updated since 2023 despite increasing external costs. Beginning in 2025, CBRPS partnered with Forrest Green for online criminal record checks at a minimal cost to the organization. Online convenience fees are transferred to the customer who chooses online versus in-person service. The convenience fee is \$9.95 and is recovered by Forrest Green for the use of the service. CBRPS absorbs the Moneris service fees that average approximately \$150 per month.

It is suggested to embed the convenience fee into the overall cost of the Criminal Record Check to provide transparency and simplicity. Rather than facing unexpected add-on services at check out or at the point of service, applicants can see the full cost up front and make informed decisions. However, if prices remain static, CBRPS will absorb the service fee, therefore reducing current cost recovery.

In 2025, CBRPS partnered with Accident Support Services who now process at least 80% of the collisions that happen in our jurisdiction, that our officers no longer respond to. The Collision Reporting Center is in place to take more call pressure away from our frontline general duty response therefore less MVC reports are processed through our administrative staff in turn reducing direct revenue from insurance companies and/or law offices to our police service.

It is suggested to increase the \$34.20 fee to \$50 to make up for the decreased revenue as a result of fewer reports being processed by our staff. This increase aligns with fees charged by other Police Services of similar capacity.

Record Checks

Record check distribution and contents are governed by federal laws including the *Criminal Records Act* which outlines the information that is safeguarded and the conditions under which police record information is maintained including the access and disclosure of that information.

As noted above, there are typically over 9500 record check requests per annum with volunteer checks estimated at approximately 2000. Historically, requests for checks from volunteers or volunteer agencies are \$0, as it stands, if a volunteer comes in person for a record check, the amount remains free of charge, but if they choose to do a record check online, the \$9.95 convenience fee applies. It is recommended that if they want an expedited or “emergency” online check with a 24 hour turn around, they can pay the additional \$40 for that to be processed. If they come in person, the turnaround time will be up to two weeks.

The proposed moderate structured increase will be implemented to standard criminal record checks to align with rising service delivery costs and to offset revenue shortfalls from current fingerprint processing deficits (-\$4.75 per check) and \$0 volunteer checks. The change would be in alignment with other Police Services across Canada to ensure our pricing model remains fair and sustainable. An increase in fees also supports offsetting processing costs.

Lastly, to support our citizen’s urgent needs while protecting our core service capacity, it is being recommended to introduce a premium “rush” fee for last minute record checks requiring a 24-hour turnaround. Given typical pricing and the reprioritization of workflow required to meet a 24-hour deadline, a reasonable structure could be: standard fee + a \$40 additional fee per request.

Motor Vehicle Accident Reports

Motor Vehicle Accident Reports are requested solely by law offices and Insurance companies; therefore, the fee increase would not be impacting the public directly. The change would be in alignment with other Police Services across Canada to ensure our pricing model remains current and comparable. An increase in fees also supports offsetting processing costs.

Conclusion

Cost recovery efforts should be modernized to reflect the increased efforts required as a result of federal Criminal Record Check ‘flagging’ processes, increased cost of services, and to be brought in line with other agencies.

Financial Implications

None.

Options

1. CBRM Council adopts the recommendation as presented.
2. CBRM Council adopts the recommendation with modifications.
3. CBRM Council refuses the recommendation in part or in whole.

CAPE BRETON REGIONAL POLICE SERVICE



FEE STRUCTURE POLICY & PROCEDURE

Approved by: _____

Date: September 1st, 2026

	CLASSIFICATION: ADMINISTRATIVE	REVISED DATE
		EFFECTIVE DATE March 31, 2026
	TITLE: FEE STRUCTURE	REPLACES: Fee Structure 2023/Cost Recovery Fees March 2013
		TOTAL PAGES 3

1.0 PURPOSE

This document sets fees for certain non-criminal related functions performed by the Cape Breton Regional Police Service.

References

Criminal Records Act R.S.C., 1985, c. C-47

Criminal Code of Canada

Freedom of Information and Protection of Privacy, SNS 1993, c5

2.0 ADMINISTRATIVE PROCEDURES

- 2.1 Cost recovery through fees is a means to reduce costs directly related to a provided service
- 2.2 All Record Checks are completed by the Records Section located at CBRPS Headquarters
- 2.3 Payment is required in full at the time of application
- 2.4 Payment by certified cheque or postal money order can be processed at the Civic Center located at 320 Esplanade, Sydney NS.
- 2.5 Payment is made to the Cape Breton Regional Police Service at 865 Grand Lake Road, Sydney NS by:
 - 2.5.1 Debit for in-person services
 - 2.5.2 Credit for online criminal record checks
 - 2.5.3 Cheques/money orders from foreign banks outside Canada/USA are not accepted
- 2.6 Applicants are advised processing time of two weeks
- 2.7 Record Checks must have CPIC confirmation

3.0 APPLICATION REQUIREMENTS

- 3.1 The Cape Breton Regional Police Service is committed to respecting privacy and adhering to privacy laws. As such:
 - 3.1.1 Copies of police reports are ONLY available to people involved in the incident or their representatives with explicit, written consent
 - 3.1.2 Information that can harm an ongoing, unsolved investigation or where the information is part of an ongoing court file will not be released

- 3.1.3 Information obtained from other agencies e.g. RCMP will not be released and must be requested from the stewarding agency or organization
- 3.1.4 Signed waivers are required for record checks where individuals other than the applicant will be retrieving the information
- 3.1.5 All third-party information is deleted from any requested reports
- 3.1.6 Reports will not be released if the investigation is open and ongoing or if the matter is proceeding before a court
- 3.1.7 No information is released over the phone or by e-mail
- 3.1.8 Anyone requesting a copy of a police generated report must provide two pieces of government issued identification (minimum one with photo)
 - 3.1.8.1 Photo Identification
 - 3.1.8.1.1 Driver's License
 - 3.1.8.1.2 Nova Scotia Identification Card
 - 3.1.8.1.3 Passport
 - 3.1.8.1.4 Other federally issued ID e.g. resident, status documents
 - 3.1.8.2 Non-Photo Identification
 - 3.1.8.2.1 Provincial Health Card
 - 3.1.8.2.2 Birth Certificate
 - 3.1.8.2.3 Marriage Certificate
 - 3.1.8.2.4 Immigration Papers
 - 3.1.8.2.5 Citizenship Card or Certificate

4.0 SERVICE CATALOGUE

Type	Description
Collision Report	Insurance information supplied when requested by parties (registered owners) involved in an accident. Third parties involved are unable to receive reports.
Collision Investigative File	Includes vetted information of reports, investigation findings and reports
Collision Reconstruction Report	Detailed reports of accidents including precise measurements/lab reports
Basic Record Check	A criminal record check including searches in CPIC, JEIN, and Niche RMS.
Enhanced Record Check	A criminal record check which includes a vulnerable sector check
Fingerprinting	Ink or Live Scan –one occurrence
Letter of Confirmation	Request for a letter confirming reporting of incidents/address
Pardon	Basic record check and completion of proper documentation. Additional fee of \$25 is required for Receiver General
Record Check – Volunteer Eligibility	Volunteers requiring a record check must provide a letter from the sponsor agency to be considered a volunteer applicant
Record Check - Volunteer Fees Waived	Proof of income is required for fees to be waived and includes: • Social assistance statement, endorsement from Department of Community Services or Indigenous Social Development; or

	• CRA Notice of assessment where household income not exceeding \$29,000 for single income households, and \$44,000 for family income households • Assessments may be based on the organization's financial capacity e.g. organizations that provide and require large volumes of volunteer applications
Peace Bond	Order from a court under the Canadian Criminal Code Section 810
Photos	Copies of legal/private photos in sheets of four. Application to a Record (FOIPOP) may be required. All requests for reports/files are vetted and subject to privacy and investigative limitations. Request for legal photos is as requested by a lawyer and not part of criminal legal proceedings or relevant to case disclosure
Occurrence Reports	Application required to access a record (FOIPOP). All requests for reports are vetted and subject to privacy and investigative limitations.

5.0 FEE SCHEDULE

SERVICE	FEE
RECORDS & SECURITY	
Criminal Record Check Standard	\$50
Criminal Record Check Student	\$15
Criminal Record Check Standard Volunteers	\$5
Criminal Record Check duplicate (at time of application/pickup)	\$5
Fingerprinting- Live Scan/Ink	\$50
FOIPOP Application/Requests for Record	\$5
Peace Bond (unless IPV)	\$75
Information/Reports including Occurrence Reports	\$30
TRAFFIC	
Collision Reports - General	\$50
Collision Reports - Investigative	\$345
Collision Reconstruction Report	\$1500
Statements (electronic)	\$25

Photos (electronic- contact sheet of four)	\$50
MISCELLANEOUS	
Commissioner of Oaths	N/C

6.0 ANNUAL REVISIONS & REVIEW

6.1 Under the direction of the Chief of Police, in consultation with the CBRM Board of Police Commissioners and Council, the CBRPS Fee Structure will be reviewed for:

- 6.1.1 Adjustments due to Consumer Price Index/inflation
- 6.1.2 Additional requests for fees or cost recovery
- 6.1.3 Any other changes to the policy or procedure as a result of a legislative, regulatory or local change

RECORD CHECK INFORMATION & GUIDELINES

What is the Criminal Records Act?

The ***Criminal Records Act*** (the *Act*) is a piece of Canadian legislation intended to provide for the relief of persons who have been convicted of offences and subsequently rehabilitated themselves. It became law in 1985.

The purpose of the *Act* is to provide a means of criminal records suspension. According to the *Act*, a record suspension is evidence of the fact that the applicant was of good conduct, and that the conviction should no longer reflect adversely on the applicant's character. Following a successful application, the records in question are kept separate and apart from other criminal records, are removed from the automated criminal records retrieval system maintained by the Royal Canadian Mounted Police (RCMP), and are not disclosed to any person without the prior approval of the Minister.

What is a criminal record check?

In general terms, a criminal record check is a search that is used to determine whether an individual has a criminal record. The search can be based on an individual's name and date of birth, or for much greater assurance, it can be based on fingerprints for positive identification. A criminal record check is performed against the national repository of criminal records maintained by the Royal Canadian Mounted Police (RCMP) which holds approximately 4.2 million records. Checks are also in many cases performed against a Canadian police service's local records.

A basic check includes the review of the databases including the federal CPIC, provincial JEIN, and local Niche.

An enhanced check includes a basic check as well as a vulnerable sector check for sex offences, and is required for those working with vulnerable persons including children.

What is a CPIC check?

What many consider to be a "CPIC check" (or to others a "background check") is a query of the Identification Data Bank by a police agency using a person's name and date of birth. While there may be a match to a criminal record within the data bank that may point to a possible criminal record, it does not mean that the person subject to the check is the subject of that criminal record. This can only be positively confirmed with the submission of fingerprints. In addition, this type of check omits checks of other data banks that could provide valuable screening information (see question on local indices).

What is the difference between a Summary, Indictable, and Hybrid Offence?

Summary Offence

A Summary Offence is the least serious criminal offence type in the Canadian Criminal Code. This would include more minor offences like "disturbing the peace." The sentence for a summary conviction typically carries a maximum of 6 months in jail or a \$5,000 fine, and an individual can apply to receive a record suspension three years after the completion of their sentence. Individuals charged with a summary offence are not fingerprinted by the police.

Indictable Offence

The most serious offence type in the Criminal Code is an Indictable offence. This includes serious charges like theft and violent crimes. A sentence for an indictable offence can be as severe as life in prison, depending on the crime. For some indictable offences, the person charged can choose between a trial with a judge or with a judge and jury.

Hybrid Offence

A hybrid offence is a crime that can be treated as a summary or an indictable offence, and it is up to the Crown Counsel to decide which direction to proceed in. This decision is usually based on how serious the crime was. An example of a hybrid offence is theft under \$5,000.

What databases may be searched?

- **NICHE** – local records of the applicant's involvement with CBRPS
- **JEIN** – the Nova Scotia court system (Justice Enterprise Information Network)
- **CPIC** – the Canadian Police Information Center system and RCMP National repository in Ottawa

How long is it good for?

A police information records check only provides information found at the time of the check on the above listed systems. The CBRPS does not guarantee completeness of information, as it is subject to each

agency's updates.

The check does not include information found in any other jurisdiction's local police information system; nor does it include court information from any other provinces, except convictions registered on federal systems

What disclosures are included?

- **Criminal Records** includes indictable, dual procedure and summary conviction offences; and
 - Vulnerable Sector Records
 - Absolute Discharge for one-year period
 - Stay of Proceedings for one-year period
 - Conditional Discharge for three-year period
- Other information where provision exists within the Criminal Code of Canada or other Acts

Why is there a request to be fingerprinted after applying for a check?

- Submission of fingerprints to confirm or eliminate a criminal record associated to an applicant's information
- Submission of fingerprints for the Vulnerable Sector search to confirm or eliminate a pardon associated to applicants' information. Please see the RCMP website for more information:
<http://www.rcmp-grc.gc.ca/cr-cj/index-eng.htm#rc>
- To deal with outstanding warrant(s) on a federal system
- **NOTE:** The above information cannot be discussed over the phone; however, the information may be discussed when attending for fingerprinting

Window Tints in Vehicles

Motion

Moved by Commissioner Sheppard-Campbell, seconded by Commissioner Vickers, that the CBRM Board of Police Commissioners recommend to Council to direct staff to investigate the current regulations and enforcement surrounding excessively tinted vehicle windows, particularly the front windshield and front side windows, along with the safety concerns associated with illegal or excessively dark window tinting.

Discussion:

- Concerns regarding tinted vehicle windows and pedestrian safety
- Tinting regulations and associated fines
- Additional officer awareness and education
- Methods to measure window tint levels

Motion Carried



City Hall
320 Esplanade Sydney, NS
B1P 7B9

Council Agenda Request Form

- | | | |
|--|---|--|
| ☐ Included on Agenda
(Submitted to Municipal Clerk's Office by 4:30 pm seven days before the meeting) | ☐ Late Item
(Submitted to Municipal Clerk's Office by Noon the day before the meeting) | ☐ Request from the Floor: (New Business) <ul style="list-style-type: none"> - Announcement - Referral - Submit Petition - Notice of Motion |
|--|---|--|

Date of Council Meeting: Police Commission, Sept 9/26

Subject: Window Tints in vehicles

Motion for Council to Consider:

That Council direct staff to investigate the current regulations and enforcement surrounding excessively tinted vehicle windows, particularly the front windshield and front side windows, along with the safety concerns associated with illegal or excessively dark window tinting.

Rationale:

Excessively dark window tinting on the front windows of vehicles creates significant visibility and safety concern. When approaching a vehicle, it can be extremely difficult for pedestrians, other motorists, and law enforcement officers to see the driver and determine what is happening inside the vehicle. This presents an additional safety concern for police officers conducting traffic stops or approaching vehicles.

Outcome Sought:

I request that Police staff review the current Nova Scotia regulations governing vehicle window tinting, determine what enforcement measures are currently available to police and determine what enforcement measures are currently available to police. Request that a report come back to Council with recommendations for improved public education, enforcement, or CBRM advocacy for changes to provincial regulations, If required.

Councillor:
Kim Sheppard-Campbell

Received by Clerk's Department (date):
August 18, 2025

Date:
August 18, 2025



STAFF REPORT

TO: Mayor and Council

SUBMITTED BY: Raymond Boudreau, Director of Water & Wastewater.

DATE: September 15, 2026

SUBJECT: Sydney Water Treatment Plant New Filter Project (W-26-1) – Authorization

EXECUTIVE SUMMARY

This staff report seeks Council approval of a revised capital budget for the Sydney Water Treatment Plant New Filter Project and authorization for staff to submit an Authorization to Overspend application to the Nova Scotia Regulatory and Appeals Board (NSRAB).

This project was previously approved as part of the Water Utility Capital Budget. The project will add a fifth pressure filter at the Sydney Water Treatment Plant to address current capacity issues.

Following tendering, the lowest (and only) contractor bid received was above the approved project budget. As a result, the new Total Estimated Project Costs are \$602,000 above the original estimate. As this exceeds the NSRAB threshold of a \$250,000 cost overrun for a previously approved project, the Utility is required to obtain an Authorization to Overspend before proceeding.

Although the tender price exceeded the approved budget, this does not result in an overall increase in Water Utility capital costs beyond what was contemplated in the broader capital program. The Utility recently secured approximately \$1.84 million in federal infrastructure funding for other approved water projects. As a result, the overall Water Utility capital program will actually require less borrowing than was originally approved by Council.

The recommendations before Council are as follows:

1. It is recommended that Council approve the revised capital budget for the Sydney Water Treatment Plant New Filter Project (W-26-1), increasing the project budget by \$602,000 to reflect actual tender prices.
2. It is recommended that Council authorize Water Utility staff to submit an application for Authorization to Overspend to the Nova Scotia Regulatory and Appeals Board for the revised project cost and to undertake the necessary actions to obtain regulatory approval.

As an alternative Option, Council could:

Reject the revised budget and not proceed with the project. Staff does not recommend this option because it would defer a project that has been identified through engineering review as necessary to address treatment capacity and operational reliability concerns.

In summary:

- the project remains necessary,
- the tender pricing reflects current market conditions,
- the Utility remains in a favourable overall funding position, and
- the revised project budget will not increase overall borrowing

For those reasons, staff recommends that Council approve the recommendations contained in the report.

ORIGIN

Council approved the Sydney Water Treatment Plant New Filter Project (W-26-1) for the current fiscal year during the capital budget process. Following completion of the public tender process, the lowest (and only) bid received exceeded the approved project budget. The new Total Estimated Project Cost represents an increase of \$602,000.

As the revised project cost exceeds the approval threshold established by the Nova Scotia Regulatory and Appeals Board (NSRAB), the Utility is required to obtain Authorization to Overspend (ATO) prior to proceeding with the project. The matter is being presented to Council as the governing body of the Utility to obtain approval of the revised project budget.

LEGISLATIVE AUTHORITIES AND RELATED POLICIES

Section 35 of the Public Utilities Act requires regulated water utilities to obtain NSRAB approval for capital projects exceeding prescribed thresholds and for cost overruns exceeding the greater of \$250,000 or 5% of the previously approved project budget.

“35 (1) No public utility shall proceed with any new construction, improvements or betterments in or extensions or additions to its property used or useful in furnishing, rendering or supplying any service which requires the expenditure of more than two hundred and fifty thousand dollars without first securing the approval thereof by the Board.”

RECOMMENDATIONS

3. It is recommended that Council approve the revised capital budget for the Sydney Water Treatment Plant New Filter Project (W-26-1), increasing the project budget by \$602,000 to reflect the lowest tender received.
4. It is recommended that Council authorize Water Utility staff to submit an Authorization to Overspend application to the Nova Scotia Regulatory and Appeals Board for the revised project cost and to undertake the necessary actions to obtain regulatory approval.

PURPOSE

The purpose of this report is to obtain Council approval of a revised project budget for the Sydney Water Treatment Plant New Filter Project (W-26-1), and to authorize staff to submit an Authorization to Overspend application to the NSRAB.

BACKGROUND

The Sydney Water Treatment Plant currently operates with four pressure filters constructed in 1995. Since that time, development within the Sydney service area has increased average daily water demand, resulting in reduced operational flexibility and increased operational risk when filters must be removed from service for maintenance.

In 2025, an engineering assessment of the facility identified deterioration of the existing filter vessels interior coating. The assessment concluded that rehabilitation of the existing filters would require units to be removed from service for extended periods and recommended installation of a fifth pressure filter to improve system capacity, provide operational redundancy, and support future rehabilitation activities.

Based on this recommendation, Council approved the Sydney Water Treatment Plant New Filter Project (W-26-1), and the project subsequently received capital approval from the Nova Scotia Regulatory and Appeals Board. The project includes installation of a new pressure filter vessel together with associated piping, controls, instrumentation, and commissioning works. The additional filter will increase plant capacity and improve operational flexibility.

Following completion of the public tender process, the total estimated project cost is expected to exceed the approved project budget by \$602,000. As the increase exceeds the threshold established by the NSRAB, an Authorization to Overspend application is required before proceeding with the revised project budget.

ANALYSIS / DISCUSSION

The Sydney Water Treatment Plant New Filter Project is a strategic infrastructure investment intended to address both current operational requirements and the long-term reliability of the Utility's largest treatment system. The project will increase plant filtration capacity from approximately 18,200 m³/day to 22,750 m³/day while improving the Utility's ability to maintain and rehabilitate existing infrastructure without impacting service reliability

The project was originally approved by Council and the NSRAB with an estimated project cost of \$1.35 million. Following completion of the tender process, the total estimated project cost is anticipated to exceed the approved budget by \$602,000. Administration has reviewed the tender results and concluded that the increase reflects market conditions and construction industry inflation rather than any change in scope.

The project is expected to be completed over approximately 46 weeks, resulting in expenditures being incurred over two fiscal years. Importantly, while this project experienced a tender overrun, the Water Utility recently secured approximately \$1.84 million in federal funding for other approved capital projects that was not anticipated when the capital budget was originally developed.

As a result, despite experiencing higher-than-anticipated tender costs on multiple projects, Water Utility staff expect total borrowing requirements for the 2026-27 and 2027-28 Fiscal Year to be lower than what was assumed when the capital budget was developed.

Given the operational necessity of the project, and the overall positive impact of recently awarded federal funding on the Utility's capital financing requirements, staff recommends approval of the revised project budget and submission of an Authorization to Overspend application to the NSRAB.

OPTIONS / ALTERNATIVES

Option 1: Approve the Recommendation (Recommended)

Approve the revised project budget, authorize submission of the Authorization to Overspend application, and proceed with project implementation following NSRAB approval.

Impact: Ensures the project proceeds on schedule, increases treatment plant capacity, improves operational redundancy, and supports future rehabilitation of existing filter infrastructure.

Option 2: Reject the Revised Budget

Council could decline to approve the revised budget and direct Administration not to proceed with the project.

Impact: Required filter installation would be deferred, increasing operational risks and potentially impacting treatment plant ability to meet regulatory drinking water requirements.

IMPACT ASSESSMENTS

Financial Considerations

The total estimated project costs exceed the previously approved project budget by \$602,000.

Although the project requires a revised capital authorization, the financial impact is mitigated by two factors:

1. The Utility recently secured approximately \$1.84 million in federal infrastructure funding that was not anticipated when the approved capital budget was developed; and
2. The project is expected to be completed over approximately 46 weeks, resulting in expenditures being distributed across two fiscal years.

Accordingly, staff anticipate that the Utility will require less debt financing than originally forecast in the approved capital budget, despite the tender overrun associated with this project.

Legal Considerations

The Utility must obtain Authorization to Overspend approval from the Nova Scotia Utility and Review Board before proceeding with the revised project budget. Failure to obtain approval could place the Utility in non-compliance with NSRAB capital approval requirements

Enterprise Risk Assessment

Approval of the revised budget will facilitate construction of additional treatment capacity and operational redundancy identified through engineering review.

Deferral of the project would maintain existing treatment capacity constraints and increase operational risks associated with future rehabilitation of the existing filtration system.

Equity and Accessibility Considerations

No specific equity or accessibility impacts have been identified. The project supports the continued delivery of safe and reliable drinking water service to all customers served by the Sydney Water System.

COMMUNITY ENGAGEMENT

No public engagement has been undertaken. As an operational and regulatory matter, public engagement is not considered necessary at this stage.

IAP2 Public Engagement Framework Level: Inform

Revenue	Year To Date Assigned	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
Total Taxes	47,734,247	47,470,409	263,839	142,411,227	94,676,980
Total Federal Government	1,125,000	1,125,000	-	3,375,000	2,250,000
Total Federal Government Agencies	280,673	280,673	-	842,020	561,347
Total Provincial Government	654,862	654,862	-	1,964,585	1,309,723
Total Provincial Government Agencies	1,391,228	1,391,228	-	4,173,685	2,782,457
Total Services to Other Local Government	356,348	356,348	-	1,069,045	712,697
Total Transit	721,727	972,823	(251,096)	2,918,470	2,196,743
Total Environmental Development Services	159,146	100,833	58,313	302,500	143,354
Total Licenses & Permits	59,793	37,833	21,959	112,500	52,707
Total Fines & Fees	450,030	371,667	78,363	1,115,000	664,970
Total Rentals	135,592	165,593	(30,000)	496,778	361,186
Total Concessions & Franchises	230,171	315,000	(84,829)	945,000	714,829
Total Interest	520,221	505,000	15,221	1,515,000	994,779
Total Finance Revenue	16,050	11,667	4,383	35,000	18,950
Total Solid Waste Revenue	1,592,819	1,645,199	(52,380)	6,010,600	4,417,781
Total Recreation & Cultural Service Programs	371,857	564,333	(192,477)	1,693,000	1,321,143
Total Water Utility Charges	1,786,558	1,786,558	-	5,359,674	3,573,116
Total Waste Water Revenue	3,545,861	3,775,596	(229,735)	11,326,791	7,780,930
Total Unconditional Transfers	5,278,613	5,278,613	-	15,835,838	10,557,225
Total Conditional Transfers	-	-	-	-	-
Total Extraordinary Revenue	368,550	-	368,550	-	(368,550)
Year To Date Assigned	\$ 66,779,346	\$ 66,809,235	\$ (29,889)	\$ 201,501,713	\$ 134,722,367

Departmental

Reviewed

Summary

Draft Statement of Expenditures

JULY, 2026

Expenditures	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
Legislative	503,083	605,387	102,303	1,816,160	1,313,077
Administration	217,491	395,394	177,904	1,186,183	968,692
Finance	970,837	1,389,255	418,418	4,167,770	3,196,933
Legal	1,028,233	1,186,850	158,617	3,560,549	2,532,316
Human Resources	578,192	667,152	88,960	2,001,457	1,423,265
Technology & Communications	764,411	1,006,087	241,676	3,018,260	2,253,849
Municipal Clerk	142,647	285,651	143,003	856,952	714,305
Fiscal Services	11,798,404	11,783,667	(14,737)	41,946,020	30,147,616
Police Services	12,299,955	12,636,587	336,632	37,909,759	25,609,804
Fire Services (Incl EMO)	4,548,939	5,019,509	470,570	15,058,524	10,509,585
Engineering & Public Works	22,975,912	21,671,391	(1,304,521)	68,868,356	45,892,444
Planning	1,152,427	1,172,507	20,080	4,668,961	3,516,534
Facilities C200 & Arenas	1,517,909	1,665,945	148,035	4,997,835	3,479,926
Parks & Grounds	1,287,376	1,302,495	15,120	3,907,486	2,620,110
Buildings	1,217,943	1,385,352	167,409	4,156,055	2,938,112
Recreation	1,509,082	1,381,636	(127,446)	3,316,386	1,807,304
Total expended to date	\$ 62,512,841	\$ 63,554,864	\$ 1,042,022	\$ 201,436,713	\$ 138,923,872

Departmental

Reviewed

Legislative	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	389,933	417,842	27,909	1,253,525	863,592
6010 BENEFITS	62,979	81,746	18,767	245,238	182,259
6030 TRAVEL/CONFERENCES	26,994	30,000	3,006	90,000	63,006
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES	370	32,421	32,051	97,263	96,893
6050 OFFICE SUPPLIES	2,363	4,133	1,770	12,400	10,037
6060 OFFICE EQUIPMENT	811	1,833	1,022	5,500	4,689
6080 ADVERTISING	4,464	6,500	2,036	19,500	15,036
6100 COURIER	-	83	83	250	250
6110 TELEPHONE/FAX	3,972	11,145	7,173	33,434	29,462
6120 PUBL./SUBSCRIPTIONS	1,193	850	(343)	2,550	1,357
6130 COMPUTER HARDWARE	1,544	2,667	1,122	8,000	6,456
6150 MEETING EXPENSES	3,075	5,833	2,758	17,500	14,425
6170 PROMOTION	5,365	10,333	4,949	31,000	25,615
Total expended to date	\$ 503,083	\$ 605,387	\$ 102,303	\$ 1,816,160	\$ 1,313,077

Departmental

Finance

CAO	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	179,992	195,605	15,613	586,816	406,824
6010 BENEFITS	30,571	35,589	5,018	106,767	76,196
6020 TRAINING/EDUCATION	-	1,100	1,100	3,300	3,300
6030 TRAVEL/CONFERENCES	2,460	6,000	3,540	18,000	15,540
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES	1,611	2,333	722	7,000	5,389
6050 OFFICE SUPPLIES	638	933	295	2,800	2,162
6060 OFFICE EQUIPMENT	-	1,667	1,667	5,000	5,000
6110 TELEPHONE/FAX	141	833	692	2,500	2,359
6150 MEETING EXPENSES	-	1,333	1,333	4,000	4,000
6170 PROMOTION	2,077	1,667	(410)	5,000	2,923
8100 PROFESSIONAL SERVICES	-	148,333	148,333	445,000	445,000
Total expended to date	\$ 217,491	\$ 395,394	\$ 177,904	\$ 1,186,183	\$ 968,692

Departmental

Finance

	Finance	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES		766,945	890,638	123,694	2,671,915	1,904,970
6010 BENEFITS		183,947	201,562	17,615	604,687	420,740
6020 TRAINING/EDUCATION		-	3,833	3,833	11,500	11,500
6030 TRAVEL/CONFERENCES		4,433	10,033	5,601	30,100	25,667
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES		987	1,533	546	4,600	3,613
6050 OFFICE SUPPLIES		3,259	4,033	773	12,102	8,843
6060 OFFICE EQUIPMENT		73	4,353	4,280	13,060	12,987
6080 ADVERTISING		8,315	13,263	4,949	39,790	31,475
6090 POSTAGE		92,279	74,900	(17,379)	224,700	132,421
6100 COURIER		6,128	6,883	755	20,650	14,522
6110 TELEPHONE/FAX		4,516	6,300	1,784	18,901	14,385
6130 COMPUTER HARDWARE		169	5,833	5,664	17,500	17,331
6140 COMPUTER SOFTWARE		-	19,307	19,307	57,920	57,920
6180 COST RECOVERY		(137,221)	(95,000)	42,221	(285,000)	(147,779)
8010 OPERATIONAL MATERIALS/SUPPLIES		3,772	1,717	(2,055)	5,150	1,378
8100 PROFESSIONAL SERVICES		-	28,333	28,333	85,000	85,000
8110 CONTRACTS/AGREEMENTS		27,602	25,967	(1,635)	77,900	50,298
8120 LEASES		4,209	5,765	1,556	17,295	13,086
8180 TAX EXEMPT/WRITE OFF		1,425	180,000	178,575	540,000	538,575
Total expended to date		\$ 970,837	\$ 1,389,255	\$ 418,418	\$ 4,167,770	\$ 3,196,933

Departmental

Finance

Legal	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	190,368	212,484	22,116	637,452	447,084
6010 BENEFITS	37,331	48,432	11,101	145,297	107,966
6020 TRAINING/EDUCATION	-	2,167	2,167	6,500	6,500
6030 TRAVEL/CONFERENCES	3,892	1,833	(2,059)	5,500	1,608
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES	11,079	6,000	(5,079)	18,000	6,921
6050 OFFICE SUPPLIES	1,820	1,333	(487)	4,000	2,180
6060 OFFICE EQUIPMENT	639	1,333	695	4,000	3,361
6070 PHOTOCOPYING SUPPLIES	1,118	1,167	48	3,500	2,382
6080 ADVERTISING	-	1,333	1,333	4,000	4,000
6100 COURIER	100	267	167	800	700
6110 TELEPHONE/FAX	1,939	1,333	(606)	4,000	2,061
6120 PUBLICATIONS/SUBSCRIPTIONS	2,576	7,333	4,757	22,000	19,424
6130 COMPUTER HARDWARE	3,640	1,667	(1,973)	5,000	1,360
6150 MEETING EXPENSES	-	167	167	500	500
6160 LIABILITY INSURANCE	688,393	833,333	144,940	2,500,000	1,811,607
8100 PROFESSIONAL SERVICES	85,337	66,667	(18,670)	200,000	114,663
Total expended to date	\$ 1,028,233	\$ 1,186,850	\$ 158,617	\$ 3,560,549	\$ 2,532,316

Departmental

Finance

Human Resources		Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000	WAGES/SALARIES	378,483	467,674	89,191	1,403,022	1,024,539
6010	BENEFITS	97,330	111,312	13,981	333,935	236,605
6020	TRAINING/EDUCATION	4,039	4,000	(39)	12,000	7,961
6030	TRAVEL/CONFERENCES	5,867	5,833	(34)	17,500	11,633
6040	PROFESSIONAL MEMBERSHIP/DUES & FEES	1,770	1,667	(103)	5,000	3,230
6050	OFFICE SUPPLIES	1,940	5,000	3,060	15,000	13,060
6060	OFFICE EQUIPMENT	2,238	1,667	(571)	5,000	2,762
6080	ADVERTISING	410	1,000	590	3,000	2,590
6110	TELEPHONE/FAX	2,014	3,333	1,320	10,000	7,986
6120	PUBLICATIONS/SUBSCRIPTIONS	-	1,000	1,000	3,000	3,000
6130	COMPUTER HARDWARE	1,377	2,500	1,123	7,500	6,123
6150	MEETING EXPENSES	(75)	2,167	2,242	6,500	6,575
8100	PROFESSIONAL SERVICES	80,134	56,667	(23,468)	170,000	89,866
8110	CONTRACTS/AGREEMENTS	2,664	3,333	670	10,000	7,336
Total expended to date		\$ 578,192	\$ 667,152	\$ 88,960	\$ 2,001,457	\$ 1,423,265

Departmental

Finance

Technology and Communications

Draft Statement of Expenditures

JULY, 2026

Technology/Communications	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	407,391	451,808	44,417	1,355,425	948,034
6070 BENEFITS	97,942	102,349	4,407	307,047	209,105
6011 MISCELLANEOUS BENEFITS	-	-	-	-	-
6020 TRAINING/EDUCATION	625	4,500	3,875	13,500	12,875
6030 TRAVEL/CONFERENCES	1,221	2,167	946	6,500	5,279
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES	772	333	(439)	1,000	228
6050 OFFICE SUPPLIES	1,622	833	(789)	2,500	878
6060 OFFICE EQUIPMENT	280	1,333	1,054	4,000	3,720
6080 ADVERTISING	56	1,000	944	3,000	2,944
6110 TELEPHONE/FAX	11,445	18,167	6,721	54,500	43,055
6130 COMPUTER HARDWARE	55,652	100,000	44,348	300,000	244,348
6140 COMPUTER SOFTWARE	164,740	150,000	(14,740)	450,000	285,260
6150 MEETING EXPENSES	-	333	333	1,000	1,000
7070 BLDG/FACILITY RENTAL	7,093	8,000	907	24,000	16,907
8040 COMM EQUIPMENT LINES	-	-	-	-	-
8100 PROFESSIONAL SERVICES	389	20,000	19,611	60,000	59,611
8110 CONTRACTS/AGREEMENTS	15,182	68,667	53,485	206,000	190,818
8120 LEASES SAP	-	39,696	39,696	119,088	119,088
8130 LICENSES/PERMITS	-	36,900	36,900	110,700	110,700
Total expended to date	\$ 764,411	\$ 1,006,087	\$ 241,676	\$ 3,018,260	\$ 2,253,849

Departmental

Finance

Municipal Clerk	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	88,109	169,086	80,977	507,257	419,148
6010 BENEFITS	21,589	37,348	15,760	112,045	90,456
6020 TRAINING/EDUCATION	2,005	1,833	(172)	5,500	3,495
6030 TRAVEL/CONFERENCES	77	1,333	1,256	4,000	3,923
6040 PROFESSIONAL MEMBERSHIP/DUES	1,642	483	(1,158)	1,450	(192)
6050 OFFICE SUPPLIES	448	1,167	718	3,500	3,052
6060 OFFICE EQUIPMENT	36	667	631	2,000	1,964
6070 PHOTOCOPYING SUPPLIES	6,032	7,833	1,801	23,500	17,468
6080 ADVERTISING	1,400	500	(900)	1,500	100
6090 POSTAGE	-	33	33	100	100
6100 COURIER	-	33	33	100	100
6110 TELEPHONE/FAX	470	1,400	930	4,200	3,730
6120 PUBLICATIONS/SUBSCRIPTIONS	52	600	548	1,800	1,748
6130 COMPUTER HARDWARE	2,056	1,000	(1,056)	3,000	944
6140 COMPUTER SOFTWARE	6,257	14,167	7,910	42,500	36,243
6150 MEETING EXPENSES	12,474	4,833	(7,641)	14,500	2,026
8110 CONTRACTS/AGREEMENTS	-	43,333	43,333	130,000	130,000
Total expended to date	\$ 142,647	\$ 285,651	\$ 143,003	\$ 856,952	\$ 714,305

Departmental

Finance

Fiscal Services						
	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining	
8195 WATER SUPPLY & HYDRANTS	2,358,797	2,358,797	-	7,076,391	4,717,594	
9010 INTEREST ON SHORT TERM BORROWING	146,536	133,333	(13,202.64)	400,000	253,464	
9020 INTEREST ON LONG TERM DEBT	712,199	712,199	-	1,593,433	881,234	
9050 PRINCIPLE ON LONG TERM DEBT	880,814	880,814	-	8,599,359	7,718,545	
9052 DEBT/CAPITAL BOND DISC	-	-	-	63,000	63,000	
9090 BANK CHARGES	31,743	28,333	(3,410.13)	85,000	53,257	
9200 ALLOWANCE FOR UNCOLLECTABLE TAXES	-	-	-	-	-	
9420 APPROPRIATION TO CAPITAL FUND	-	-	-	1,118,265	1,118,265	
9430 APPROPRIATION TO B.I.D.C.s	79,256	81,131	1,875.60	243,394	164,138	
9620 REGIONAL LIBRARY	234,600	234,600	-	703,800	469,200	
9630 CAPE BRETON/VICTORIA SCHOOL BOARD	6,825,705	6,825,705	-	20,477,114	13,651,409	
9640 PROPERTY ASSESSMENT COSTS	528,755	528,755	-	1,586,264	1,057,509	
Total expended to date	\$ 11,798,404	\$ 11,783,667	\$ (14,737)	\$ 41,946,020	\$ 30,147,616	

Departmental

Finance

Police Services		Year to date Expended	4 Month Budget	4 Month Budget	Annual Budget	Annual Budget	Remaining
		Variances					
GL 6000, 6010 , & 6011 WAGES & BENEFITS NET OF COST RECOVERY		10,813,424	10,925,372	111,947	32,776,114		21,962,690
6020 TRAINING/EDUCATION		99,737	90,833	(8,904)	272,500		172,763
6030 TRAVEL/CONFERENCES		23,894	21,000	(2,894)	63,000		39,106
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES		2,719	1,667	(1,052)	5,000		2,281
6050 OFFICE SUPPLIES		12,467	16,250	3,783	48,750		36,283
6060 OFFICE EQUIPMENT		28,562	26,333	(2,229)	79,000		50,438
6070 PHOTOCOPYING SUPPLIES		-	-	-	-		-
6080 ADVERTISING		410	1,167	756	3,500		3,090
6100 COURIER		6,735	4,333	(2,402)	13,000		6,265
6110 TELEPHONE/FAX		88,322	98,333	10,011	295,000		206,678
6120 PUBLICATIONS/SUBSCRIPTIONS		1,015	2,000	985	6,000		4,985
6130 COMPUTER HARDWARE		72,228	153,333	81,106	460,000		387,772
6140 COMPUTER SOFTWARE		73,685	236,667	162,981	710,000		636,315
6150 MEETING EXPENSES		3,099	3,667	568	11,000		7,901
6170 PROMOTION		2,091	4,167	2,076	12,500		10,409
7000 HEAT		9,132	10,667	1,534	32,000		22,868
7010 ELECTRICAL		35,230	41,333	6,103	124,000		88,770
7020 WATER		1,162	2,842	1,680	8,525		7,363
7030 BUILDING/FACILITY MAINTENANCE		19,732	31,000	11,268	93,000		73,268
7040 BUILDING FACILITY REPAIR		986	5,000	4,014	15,000		14,014
7060 BUILDING/FACILITY RENOVATION		-	5,000	5,000	15,000		15,000
7070 BUILDING/FACILITY RENTAL		42,121	33,667	(8,455)	101,000		58,879
7110 SECURITY		467	667	199	2,000		1,533
7500 VEHICLE/EQUIPMENT MAINTENANCE		7,277	10,000	2,723	30,000		22,723
7505 GASOLINE & DIESEL		214,942	166,667	(48,276)	500,000		285,058
7510 VEHICLE/EQUIPMENT REPAIRS		181,062	116,667	(64,396)	350,000		168,938
7530 VEHICLE/EQUIPMENT REPLACEMENT		70,286	236,667	166,380	710,000		639,714
7540 VEHICLE/EQUIPMENT RENTAL		-	667	667	2,000		2,000
7550 VEHICLE/EQUIPMENT TOWING		182	667	485	2,000		1,818
8000 OPERATIONAL EQUIPMENT		69,303	50,000	(19,303)	150,000		80,697
8010 OPERATIONAL MATERIALS/SUPPLIES		43,806	50,000	6,194	150,000		106,194
8020 MAINTENANCE EQUIPMENT		3,913	2,023	(1,890)	6,070		2,157
8040 COMMUNICATION EQUIPMENT LINES		1,072	1,000	(72)	3,000		1,928
8090 UNIFORMS/CLOTHING		36,234	66,667	30,433	200,000		163,766
8100 PROFESSIONAL SERVICES		73,504	66,667	(6,837)	200,000		126,496
8110 CONTRACTS/AGREEMENTS		23,970	31,667	7,696	95,000		71,030
8120 LEASES		-	52,600	52,600	157,800		157,800
8125 MAJOR INVESTIGATIONS		236,923	60,000	(176,923)	180,000		(56,923)
8130 LICENSES/PERMITS		263	1,000	737	3,000		2,737
8150 GRANTS/SUBSIDIES TO ORGANIZATIONS		-	8,333	8,333	25,000		25,000
Total expended to date		12,299,955	12,636,587	336,632	37,909,759	\$	25,609,804

Departmental

Finance

Police Services

Draft Statement of Revenue

JULY, 2026

Police Services Revenue	Year to date Assigned	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
4751 RECORDS INQUIRIES	41,401	66,667	(25,266)	200,000	158,599
5151 FINES	84,211	100,000	(15,789)	300,000	215,789
Total Revenue to date	\$ 125,612	\$ 166,667	\$ (41,055)	\$ 500,000	\$ 374,388

Departmental

Finance

Fire Services

Draft Statement of Expenditures

JULY, 2026

Fire Services Including EMO		Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000	WAGES/SALARIES	2,383,290	2,475,074	91,784	7,425,221	5,041,931
6010	BENEFITS	680,784	618,922	(61,862)	1,856,765	1,175,981
6011	MISCELLANEOUS BENEFITS	18,627	15,209	(3,418)	45,626	26,999
6020	TRAINING/EDUCATION	95,407	70,833	(24,574)	212,500	117,093
6030	TRAVEL/CONFERENCES	9,192	29,833	20,641	89,500	80,308
6040	PROFESSIONAL MEMBERSHIP/DUES & FEES	1,572	4,500	2,928	13,500	11,928
6050	OFFICE SUPPLIES	3,430	4,167	737	12,500	9,070
6060	OFFICE EQUIPMENT	300	3,333	3,033	10,000	9,700
6080	ADVERTISING	-	-	-	-	-
6110	TELEPHONE/FAX	15,788	17,733	1,945	53,200	37,412
6120	PUBLICATIONS/SUBSCRIPTIONS	-	167	167	500	500
6130	COMPUTER HARDWARE	1,734	27,833	26,100	83,500	81,766
6140	COMPUTER SOFTWARE	10,343	12,333	1,990	37,000	26,657
6150	MEETING EXPENSES	1,572	2,833	1,261	8,500	6,928
6170	PROMOTION	1,201	10,100	8,899	30,300	29,099
7000	HEAT	38,046	29,500	(8,546)	88,500	50,454
7010	ELECTRICAL	22,699	31,500	8,801	94,500	71,801
7020	WATER	14,271	12,233	(2,038)	36,700	22,429
7030	BUILDING/FACILITY MAINTENANCE	12,770	21,333	8,563	64,000	51,230
7040	BUILDING/FACILITY REPAIR	-	9,167	9,167	27,500	27,500
7060	BUILDING/FACILITY RENOVATION	2,304	5,000	2,696	15,000	12,696
7500	VEHICLE/EQUIPMENT MAINTENANCE	115,218	200,000	84,782	600,000	484,782
7505	GASOLINE & DIESEL	49,925	31,867	(18,059)	95,600	45,675
7530	VEHICLE/EQUIPMENT REPLACEMENT	(16,356)	25,000	41,356	75,000	91,356
7560	VEHICLE/EQUIPMENT GENERAL SUPPLIES	12,920	8,333	(4,586)	25,000	12,080
8000	OPERATIONAL EQUIPMENT	104,878	252,333	147,456	757,000	652,122
8010	OPERATIONAL MATERIALS/SUPPLIES	22,182	24,000	1,818	72,000	49,818
8020	MAINTENANCE EQUIPMENT	8,418	16,667	8,249	50,000	41,582
8040	COMMUNICATION EQUIPMENT LINES	-	-	-	-	-
8090	UNIFORMS/CLOTHING	31,564	27,967	(3,597)	83,900	52,336
8100	PROFESSIONAL SERVICES	32,041	7,167	(24,875)	21,500	(10,541)
8110	CONTRACTS/AGREEMENTS	15,348	40,667	25,319	122,000	106,652
8120	LEASES	38,791	242,174	203,383	726,523	687,732
8130	LICENSES/PERMITS	19,999	333	(19,665)	1,000	(18,999)
8150	GRANTS/SUBSIDIES TO ORGANIZATIONS	805,084	741,396	(63,687.60)	2,224,189	1,419,105
Total expended to date						
		\$ 4,548,939	\$ 5,019,509	\$ 470,570	\$ 15,058,524	\$ 10,509,585

Departmental

Finance

Fire Services Revenue	Year to date Assigned	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
4776 PROV NS FIRE PROTECTION GRANT	161,932	161,932	-	485,795	323,863
4776 MEMBERTOU MUNICIPAL SERVICES AGRMNT	194,417	194,417	-	583,250	388,833
Total Revenue to date	\$ 356,348	\$ 356,348	\$ -	\$ 1,069,045	\$ 712,697

Departmental

Finance

DRAFT - Engineering and Public Works Actuals to July 31, 2026

REVENUE	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining	% of Annual Budget
TRANSIT	689,829	972,823	(282,994)	2,918,470	(2,228,641)	0
SOLIDWASTE TIP FEES	1,181,546	945,200	236,346	2,835,600	(1,654,054)	0
SOLIDWASTE COST RECOVERIES	699,999	699,999	-	3,175,000	(2,475,001)	0
SEWER PERMITS	37,850	22,000		65,000		
WATER UTILITY ADMIN FEE	1,786,558	1,786,558	-	5,359,674	(3,573,116)	0
WASTEWATER REVENUE	3,545,860	3,775,596	(229,736)	11,326,788	(7,780,928)	0
TOTAL PW REVENUES	7,941,642	8,202,176	(276,384)	25,680,532	(17,711,740)	0
EXPENDITURES						
ADMINISTRATION	1,527,246	1,466,315	(60,931)	4,501,615	2,974,369	0
ENGINEERING	484,309	572,050	87,741	1,976,916	1,492,607	0
CENTRAL DIVISION	3,509,857	3,432,052	(77,806)	10,680,066	7,170,209	0
EAST DIVISION	2,560,715	2,466,394	(94,322)	9,141,801	6,581,086	0
NORTH DIVISION	1,091,651	1,194,847	103,196	4,020,433	2,928,782	0
SOLID WASTE	7,511,453	5,981,886	(1,529,567)	17,430,078	9,918,625	0
MECHANICAL FLEET	1,791,505	1,838,597	47,092	6,331,738	4,540,233	0
TRANSIT	3,081,902	3,195,936	114,034	10,055,422	6,973,520	0
QUALITY CONTROL	1,417,274	1,523,316	106,042	4,730,287		
TOTAL PW EXPENDITURES	22,975,912	21,671,391	(1,304,520)	68,868,356	42,579,431	0

Signature:

Chief Engineer of Engineering & Public Works

Chief Financial Officer

Director of Engineering & Public Works

Planning

Draft Statement of Expenditures

JULY, 2026

Planning Department	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	642,431	642,431	-	2,214,425	1,571,994
6010 BENEFITS	145,882	179,671	33,789	564,528	418,646
6011 MISCELLANEOUS BENEFITS	-	-	-	(119,192)	(119,192)
6020 TRAINING/EDUCATION	7,787	7,787	-	20,500	12,714
6030 TRAVEL/CONFERENCES	24,742	23,463	(1,279)	52,000	27,258
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES	1,500	1,500	-	11,650	10,150
6050 OFFICE SUPPLIES	3,620	3,437	(184)	17,850	14,230
6060 OFFICE EQUIPMENT	3,507	2,346	(1,161)	25,100	21,593
6080 ADVERTISING	2,520	454	(2,067)	74,500	71,980
6110 TELEPHONE/FAX	5,482	7,070	1,588	17,500	12,018
6120 PUBL./SUBSCRIPTIONS	-	-	-	400	400
6130 COMPUTER HARDWARE	2,552	2,552	-	49,000	46,448
6140 COMPUTER SOFTWARE	5,420	9,331	3,911	18,550	13,130
6150 MEETING EXPENSES	103	103	-	4,200	4,097
6170 PROMOTION	2,768	1,944	(824)	34,000	31,232
6180 COST RECOVERY	-	-	-	(521,000)	(521,000)
7130 DEMOLITIONS	-	-	-	120,000	120,000
8000 OPERATIONAL EQUIPMENT	7,769	7,769	-	64,200	56,431
8010 OPERATIONAL MATERIALS/SUPPLIES	-	-	-	6,500	6,500
8090 UNIFORMS / CLOTHING	729	729	-	17,500	16,771
8100 PROFESSIONAL SERVICES	-	-	-	375,750	375,750
8110 CONTRACTS/AGREEMENTS	159,876	121,543	(38,333)	720,000	560,124
8130 LICENSES/PERMITS	-	-	-	310,000	310,000
8135 REGULATORY FEES	15,320	39,959	24,639	51,000	35,680
8150 GRANTS /SUBS TO ORG	120,418	120,418	-	540,000	419,582
8165 COST RECOVERY	-	-	-	-	-
Total expended to date	1,152,427	1,172,507	\$ 20,080	\$ 4,668,961	\$ 3,516,534

Departmental

Finance

	Year to date Assigned	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
Bylaw Revenue					
5112 Vendor Licenses	\$ 10,350	\$ 4,833	\$ 5,517	\$ 14,500	\$ 4,150
5113 Animal Licenses	530	2,667	(2,137)	8,000	7,470
5114 Taxi Licenses	11,018	8,333	2,684	25,000	13,982
5115 Vending Machine Licenses	45	-	45	-	(45)
5301 Parking Meter Revenue	81,084	83,333	(2,249)	250,000	168,916
Total Bylaw Revenue	\$ 103,027	\$ 99,167	\$ 3,861	\$ 297,500	\$ 194,473
Development / Planning Revenue					
5496 Mapping Sales	\$ -	\$ 167	\$ (167)	\$ 500	\$ 500
5495 Other Sales	6,449	2,333	4,116	7,000	551
5497 Lun Amendment Fees	1,500	1,667	(167)	5,000	3,500
5101 Building Permits	139,032	83,333	55,698	250,000	110,968
5102 Subdivision Fees	12,165	13,333	(1,168)	40,000	27,835
Total Develop / Planning Rev	\$ 159,146	\$ 100,833	\$ 58,313	\$ 302,500	\$ 143,354
Total Bylaw / Dev / Planning Revenue	\$ 262,173	\$ 200,000	\$ 62,173	\$ 600,000	\$ 337,827

Departmental

Finance

	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	624,434	680,137	55,703	2,040,410	1,415,976
6010 BENEFITS	135,100	151,475	16,375	454,425	319,325
6011 MISC BENEFITS	50	-	(50)	-	(50)
6020 TRAINING	259	2,333	2,074	7,000	6,741
6030 TRAVEL/CONFERENCES	5,689	2,000	(3,689)	6,000	311
6040 PROFESSIONAL MEMBERSHIP/	2,355	1,667	(688)	5,000	2,645
6050 OFFICE SUPPLIES	1,075	1,833	759	5,500	4,425
6060 OFFICE EQUIPMENT	-	667	667	2,000	2,000
6080 ADVERTISING	-	1,167	1,167	3,500	3,500
6110 TELEPHONE/FAX	9,944	14,000	4,056	42,000	32,056
6130 COMPUTER HARDWARE	-	1,667	1,667	5,000	5,000
6140 COMPUTER SOFTWARE	-	3,000	3,000	9,000	9,000
6150 MEETING EXPENSES	2,467	1,000	(1,467)	3,000	533
7000 HEAT	55,664	35,000	(20,664)	105,000	49,336
7010 ELECTRICAL	113,965	305,667	191,702	917,000	803,035
7020 WATER	26,866	25,000	(1,866)	75,000	48,134
7030 BLDG/FACILITY MAINT	38,892	53,333	14,442	160,000	121,108
7040 BLDG/FACILITY REPAIR	12,936	36,667	23,731	110,000	97,064
7080 PLANT MAINTENANCE	5,213	36,667	31,454	110,000	104,787
7110 SECURITY	44,504	47,667	3,163	143,000	98,496
7510 VEH/EQUIP REPAIRS	2,045	6,500	4,455	19,500	17,455
8000 OPERATIONAL EQUIPMENT	19,702	11,667	(8,035)	35,000	15,298
8010 OPERATIONAL MATERIALS/SUF	37,825	56,667	18,841	170,000	132,175
8050 COST OF SALES	342,949	146,000	(196,949)	438,000	95,051
8090 UNIFORMS/CLOTHING	541	4,167	3,625	12,500	11,959
8110 CONTRACTS/AGREEMENTS	35,434	40,000	4,566	120,000	84,566
Total expended to date	\$ 1,517,909	\$ 1,665,945	\$ 148,035	\$ 4,997,835	\$ 3,479,926

Departmental

Finance

	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
GL 4808 Advertising Revenue	50,000	13,333	36,667	40,000	(10,000)
GL 5001 Ice Rentals	26,048	371,667	(345,618)	1,115,000	1,088,952
GL 5002 Public Skating	168	667	(498)	2,000	1,832
GL 5006 Canteen Sales	219,203	288,167	(68,964)	864,500	645,297
GL 5010 Other Revenue	10,968	26,833	(15,865)	80,500	69,532
GL 5033 Program Equipment	12,562	9,500	3,062	28,500	15,938
GL 5034 Facility Rentals	273,078	156,667	116,411	470,000	196,922
Total Revenue To Date	\$ 592,028	\$ 866,833	\$ (274,806)	\$ 2,600,500	\$ 2,008,472

Departmental

Finance

Parks & Grounds	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	774,706	647,258	(127,448)	1,941,775	1,167,069
6010 BENEFITS	160,479	159,954	(525)	479,861	319,382
6011 MISCELLANEOUS BENEFITS	11,325	833	(10,492)	2,500	(8,825)
6020 TRAINING/EDUCATION	159	3,333	3,175	10,000	9,841
6030 TRAVEL/CONFERENCES	-	3,333	3,333	10,000	10,000
6040 PROFESSIONAL MEMBERSHIP/DUES & FEES	-	67	67	200	200
6050 OFFICE SUPPLIES	-	400	400	1,200	1,200
6110 TELEPHONE/FAX	3,178	3,333	155	10,000	6,822
6130 COMPUTER HARDWARE	-	1,000	1,000	3,000	3,000
7000 HEAT	2,029	4,000	1,971	12,000	9,971
7010 ELECTRICAL	30,642	28,167	(2,475)	84,500	53,858
7020 WATER	7,367	12,917	5,550	38,750	31,383
7030 BUILDING/FACILITY MAINTENANCE	2,764	3,167	402	9,500	6,736
7110 SECURITY	-	3,400	3,400	10,200	10,200
7510 VEHICLE/EQUIPMENT REPAIRS	6,860	3,333	(3,527)	10,000	3,140
7530 VEHICLE/EQUIPMENT REPLACEMENT	13,955	50,000	36,045	150,000	136,045
7540 VEHICLE/EQUIPMENT RENTAL	-	13,333	13,333	40,000	40,000
8000 OPERATIONAL EQUIPMENT	2,040	15,000	12,960	45,000	42,960
8010 OPERATIONAL MATERIALS/SUPPLIES	134,321	133,333	(987)	400,000	265,679
8020 MAINTENANCE EQUIPMENT	13,079	21,667	8,588	65,000	51,921
8040 COMMUNICATION EQUIPMENT LINES	2,781	3,667	885	11,000	8,219
8080 STREET LIGHTS	13,055	16,667	3,612	50,000	36,945
8090 UNIFORMS/CLOTHING	2,360	4,333	1,973	13,000	10,640
8100 PROFESSIONAL SERVICES	-	3,333	3,333	10,000	10,000
8110 CONTRACTS/AGREEMENTS	106,276	166,667	60,390	500,000	393,724
Total expended to date	1,287,376	\$ 1,302,495	\$ 15,120	\$ 3,907,486	\$ 2,620,110

Departmental

Finance

Building Operations

Draft Statement of Expenditures

JULY, 2026

	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
Buildings					
6000 WAGES/SALARIES	544,092	588,080	43,988	1,764,239	1,220,147
6010 BENEFITS	137,351	144,444	7,093	433,331	295,980
6020 TRAINING/EDUCATION	4,144	3,333	(811)	10,000	5,856
6030 TRAVEL/CONFERENCES	-	3,333	3,333	10,000	10,000
6050 OFFICE SUPPLIES	-	333	333	1,000	1,000
6060 OFFICE EQUIPMENT	840	1,333	493	4,000	3,160
6080 ADVERTISING	679	-	(679)	-	(679)
6110 TELEPHONE/FAX	4,285	6,000	1,715	18,000	13,715
6130 COMPUTER HARDWARE	-	1,000	1,000	3,000	3,000
6140 COMPUTER SOFTWARE	-	2,167	2,167	6,500	6,500
6150 MEETING EXPENSE	-	83	83	250	250
7000 HEAT	60,570	43,333	(17,237)	130,000	69,430
7010 ELECTRICAL	115,464	196,403	80,940	589,210	473,746
7020 WATER	14,629	18,858	4,229	56,575	41,946
7030 BLDG/FACILITY MAINT	3,905	14,167	10,262	42,500	38,595
7060 BLDG/FACILITY RENOV	1,555	33,333	31,779	100,000	98,445
7070 BLDG/FACILITY RENTAL	83,060	76,667	(6,393)	230,000	146,940
7080 PLANT MAINTENANCE	-	5,000	5,000	15,000	15,000
7100 MAINT. TOOLS/EQUIP	676	2,000	1,324	6,000	5,324
7110 SECURITY	27,647	19,167	(8,480)	57,500	29,853
7120 PROPERTY TAXES	15,657	9,333	(6,323)	28,000	12,343
7540 VEH/EQUIP RENTAL	1,583	2,333	751	7,000	5,417
8000 OPERATIONAL EQUIP	136	833	697	2,500	2,364
8010 OPERATIONAL MATERIALS/SUPPLIES	41,337	48,117	6,780	144,350	103,013
8020 MAINTENANCE EQUIP	-	667	667	2,000	2,000
8040 COMM EQUIP LINES (GPS)	1,257	1,467	209	4,400	3,143
8090 UNIFORMS/CLOTHING	966	2,667	1,700	8,000	7,034
8100 PROFESSIONAL SERVICES	28,495	40,667	12,171	122,000	93,505
8110 CONTRACTS/AGREEMENTS	109,549	99,900	(9,649)	299,700	190,151
8130 LICENSES/PERMITS	66	333	267	1,000	934
8150 GRANTS/SUBS TO ORG	20,000	20,000	-	60,000	40,000
Total expended to date	\$ 1,217,943	\$ 1,385,352	\$ 167,409	\$ 4,156,055	\$ 2,938,112

Departmental

Finance

Recreation Cultural Services

Draft Statement of Expenditures

JULY, 2026

Recreation/Cultural Services	Year to date Expended	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
GL 6000, 6010, & 6011 Wages & Benefits Including Summer Students	622,058	546,208	(75,850)	1,638,624	1,016,566
6020 TRAINING/EDUCATION	-	5,333	5,333	16,000	16,000
6030 TRAVEL/CONFERENCES	3,656	8,333	4,678	25,000	21,344
6040 PROFESSIONAL MEMBERSHIP/DU	1,693	1,333	(360)	4,000	2,307
6050 OFFICE SUPPLIES	6,028	2,000	(4,028)	6,000	(28)
6060 OFFICE EQUIPMENT	1,498	2,667	1,169	8,000	6,502
6080 ADVERTISING	16,068	23,333	7,265	70,000	53,932
6110 TELEPHONE/FAX	2,020	3,000	980	9,000	6,980
6120 PUBLICATIONS/SUBSCRIPTIONS	383	67	(316)	200	(183)
6130 COMPUTER HARDWARE	1,544	2,333	789	7,000	5,456
7070 BUILDING/FACILITY RENTAL	18,185	18,333	148	55,000	36,815
8000 OPERATIONAL EQUIPMENT	82,861	66,667	(16,195)	200,000	117,139
8025 COMMUNITY EVENTS	338,552	133,333	(205,218)	400,000	61,448
8150 GRANTS/SUBSIDIES TO ORGANIZ/	20,500	20,500	-	20,500	-
8160 SUSTAINABILITY EVENTS	381,361	381,361	-	356,562	(24,799)
8170 SUSTAINABILITY	12,674	166,833	154,160	500,500	487,826
Total expended to date	\$ 1,509,082	\$ 1,381,636	\$ (127,446)	\$ 3,316,386	\$ 1,807,304

Departmental

Finance

Recreation/Cultural Services	Year to date Assigned	4 Month Budget	4 Month Budget Variance	Annual Budget	Annual Budget Remaining
5031 PROGRAM REVENUE	10,000	10,000	-	30,000	20,000
5034 FACILITY RENTALS	-	2,500	(2,500)	7,500	7,500
Total Revenue To Date	\$ 10,000	\$ 12,500	\$ (2,500)	\$ 37,500	\$ 27,500

Departmental

Finance

Financial Statement Analysis

Motion

Moved by Councillor MacMullin, seconded by Councillor Sheppard-Campbell, to refer the audited financial statements to the next council meeting for approval.

Motion Carried

DRAFT

**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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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	—
	<u>84,255,136</u>	<u>83,435,429</u>
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
	<u>169,863,785</u>	<u>157,064,925</u>
NET DEBT	<u>(85,608,649)</u>	<u>(73,629,496)</u>
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
	<u>598,789,726</u>	<u>551,582,090</u>
ACCUMULATED SURPLUS (note 10)	<u>\$ 513,181,077</u>	<u>\$ 477,952,594</u>

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)	–
	(66,953,959)	(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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

(i) Tangible capital assets

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

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

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Reserve funds

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

(k) Government transfers

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

(l) Deferred revenue

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

(m) Taxation and other revenues

Property tax billings are prepared by the Municipality based on assessment rolls determined in accordance with Province of Nova Scotia legislation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and the requisition made by the Province in respect of education taxes. Taxation revenues are recorded 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.

(n) Port of Sydney Development Corporation revenue recognition

The Port of Sydney Development Corporation recognizes revenue from the commercial operations of the Port of Sydney is recognized when the 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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee future benefits

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

(p) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenue and expenses in the consolidated financial statements and accompanying notes.

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

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

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

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

(q) Asset retirement obligation

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

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Asset retirement obligation (continued)

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

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

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

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

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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

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

9. TANGIBLE CAPITAL ASSETS

									2025	2024
	Cost Beginning of Year	Additions and Transfers	Disposals and Write-downs	Cost End of Year	Amortization Beginning of Year	Additions	Disposals	Amortization End of Year	Net Book Value	Net Book Value
Land	\$ 14,273,157	\$ 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

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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).

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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)

Cape Breton Regional Municipality

Notes to Consolidated Financial Statements

For the year ended March 31, 2025

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.

DRAFT

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	4,286,123	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	\$ 711,036	\$ 1,307,267
Sale of properties	274,875	179,979
Grants	14,814,838	7,386,868
	15,800,749	8,874,114
FINANCING AND TRANSFERS		
Transfer from operating fund	3,797,098	710,051
Transfer to capital funds	(27,925,221)	(16,997,847)
	(24,128,123)	(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

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**Cape Breton Regional Municipality
Water Utility
Financial Statements**
March 31, 2025

Draft

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

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the Cape Breton Regional Municipality Water Utility (the "Water Utility") are the responsibility of the Water Utility's management and have been prepared in compliance with legislation and in accordance with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia. A summary of the significant accounting policies are described in Note 1 to the 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 Water Utility'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 financial statements. These systems are monitored and evaluated by management.

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

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

Nancy Dove, Chief Financial Officer

Cape Breton Regional Municipality Water Utility
Statement of Financial Position – Operating Fund
As at March 31, 2025

	2025	2024
ASSETS		
Cash	\$ 10,397,635	\$ –
Water rates receivable (less allowance for doubtful accounts \$1,549,101 (2024 - \$1,115,581))	11,269,597	11,603,737
Sundry receivables	165,843	204,940
Inventories	508,820	476,899
	\$ 22,341,895	\$ 12,285,576
LIABILITIES		
Bank indebtedness	\$ –	\$ 1,541,570
Payables and accruals	4,468,017	4,168,095
Unearned revenue	1,238,569	1,447,617
Due to Cape Breton Regional Municipality General section, operating fund	6,076,712	–
Due to water utility, capital fund	3,270,122	–
	15,053,420	7,157,282
SURPLUS	7,288,475	5,128,294
	\$ 22,341,895	\$ 12,285,576

See accompanying notes to financial statements.

On behalf of the Cape Breton Regional Municipality Water Utility:

Cape Breton Regional Municipality Water Utility
Statement of Financial Activities – Operating Fund
For the year ended March 31, 2025

	2025		2024
	Budget (Note 6)	Actual	Actual
OPERATING REVENUES			
Metered sales	\$ 19,976,534	\$ 20,577,522	\$ 20,520,805
Public fire protection	7,076,391	7,076,391	7,076,391
Consumer's interest	350,000	778,463	960,113
Service connections	66,000	6,684	7,921
	27,468,925	28,439,060	28,565,230
OPERATING EXPENSES			
Source of supply	570,277	505,539	443,065
Power and pumping	2,103,301	1,864,635	1,626,734
Water treatment	5,204,401	6,007,540	5,961,827
Transmission and distribution	5,211,763	5,427,581	5,244,067
Administration and general	4,077,551	3,813,100	3,563,418
Depreciation	4,076,040	3,548,187	3,666,582
Taxes	2,081,826	1,884,710	1,981,992
	23,325,159	23,051,292	22,487,685
Excess of operating revenues over expenses before the following	4,143,766	5,387,768	6,077,545
NON-OPERATING REVENUES			
Amortization of deferred capital contributions	–	298,503	298,502
NON-OPERATING EXPENSES			
Debt charges			
Provision for principal repayment	2,949,454	2,764,500	3,564,500
Interest	844,312	485,953	650,992
Amortization of debt discounts	–	20,438	20,277
Bank fees/charges	150,000	28,929	27,360
Capital expenditures out of operations	3,365,376	226,270	150,000
	7,309,142	3,526,090	4,413,129
ANNUAL SURPLUS (DEFICIT)	\$ (3,165,376)	\$ 2,160,181	\$ 1,962,918

See accompanying notes to financial statements.

Cape Breton Regional Municipality Water Utility
Statement of Operating Fund Surplus
For the year ended March 31, 2025

	2025	2024
SURPLUS, BEGINNING OF YEAR	\$ 5,128,294	\$ 3,165,376
Annual surplus	2,160,181	1,962,918
SURPLUS, END OF YEAR	\$ 7,288,475	\$ 5,128,294

See accompanying notes to financial statements.

Draft

Cape Breton Regional Municipality Water Utility
Statement of Cash Flows – Operating Fund
For the year ended March 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 2,160,181	\$ 1,962,918
Change in non-cash operating working capital		
Water rates receivable	(793,781)	(1,364,675)
Sundry receivables	39,097	(46,427)
Inventories	(31,921)	(48,927)
Payables and accruals	297,963	(357,111)
Unearned revenue	(209,048)	94,187
	1,462,491	239,965
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to Cape Breton Regional Municipality, operating fund	6,809,442	–
Increase in due to water utility, capital fund	3,667,272	(3,666,173)
	10,476,714	(3,666,173)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,939,205	(3,426,208)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(1,541,570)	1,884,638
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 10,397,635	\$ (1,541,570)
Cash and cash equivalents consist of:		
Cash	\$ 10,397,635	\$ –
Bank indebtedness	–	(1,541,570)
	\$ 10,397,635	\$ (1,541,570)

See accompanying notes to non-consolidated financial statements.

Cape Breton Regional Municipality Water Utility
Statement of Financial Position – Capital Fund
As at March 31, 2025

	2025	2024
ASSETS		
Cash	\$ 3,459,814	\$ 6,283,155
Cash – depreciation reserve	4,285,327	3,457,630
HST receivable	464,819	96,334
	8,209,960	9,837,119
Due from water utility, operating fund	3,270,122	–
Due from general operating fund	110,790	76,854
Unamortized debt discount	42,116	62,554
Capital assets		
Utility plant in service (Schedule A)	189,566,349	186,016,206
Work in progress	6,237,790	3,934,604
Properties adjoining watershed	174,977	174,977
	195,979,116	190,125,787
	\$ 207,612,104	\$ 200,102,314
LIABILITIES		
Accounts and holdbacks payable	\$ 1,168,010	\$ 446,725
Due to Cape Breton Regional Municipality		
General section, capital fund	3,345,511	–
General section, operating fund	–	106,469
Asset retirement obligation (Note 4)	101,805	139,086
Term debt (Schedule B)	12,043,500	14,808,000
	16,658,826	15,500,280
DEFERRED CAPITAL CONTRIBUTIONS	11,485,299	11,783,802
RESERVES		
Accumulated allowance for depreciation of utility plant	76,175,492	72,627,305
FUND BALANCE	103,292,487	100,190,927
	\$ 207,612,104	\$ 200,102,314

See accompanying notes to financial statements.

On behalf of the Cape Breton Regional Municipality Water Utility:

_____ Mayor

_____ Clerk

Cape Breton Regional Municipality Water Utility
Statement of Change in Cash – Depreciation Reserve
For the year ended March 31, 2025

	2025	2024
BALANCE, BEGINNING OF YEAR	\$ 3,457,630	\$ 3,457,630
Depreciation	3,548,187	3,666,582
Amortization of capital contributions	(298,503)	(298,502)
Capital purchases	(3,587,422)	(2,540,381)
Fund, end of year	3,119,892	4,285,329
Amount over (under) funded	1,165,435	(827,699)
CASH, END OF YEAR	\$ 4,285,327	\$ 3,457,630

Statement of Accumulated Allowance for Depreciation
For the year ended March 31, 2025

	2025	2024
BALANCE, BEGINNING OF YEAR	\$ 72,627,305	\$ 68,960,723
Depreciation for the year	3,548,187	3,666,582
BALANCE, END OF YEAR	\$ 76,175,492	\$ 72,627,305

Statement of Investment in Capital Assets
For the year ended March 31, 2025

	2025	2024
BALANCE, BEGINNING OF YEAR	\$ 100,190,927	\$ 96,476,427
Term debt retired	2,764,500	3,564,500
Capital out of operations	226,270	150,000
Interest	110,790	–
BALANCE, END OF YEAR	\$ 103,292,487	\$ 100,190,927

See accompanying notes to non-consolidated financial statements.

Cape Breton Regional Municipality Water Utility
Statement of Financial Position – Special Reserve Fund

As at March 31, 2025

	2025	2024
ASSETS		
Cash	\$ 16,466,626	\$ 1,166,626
Term deposit	898,079	891,938
Due from general operating fund	14,714	–
	\$ 17,379,419	\$ 2,058,564
LIABILITIES		
Deferred revenue	\$ 15,300,000	\$ –
RESERVE		
Special reserve	\$ 2,079,419	\$ 2,058,564
	\$ 17,379,419	\$ 2,058,564

See accompanying notes to financial statements.

On behalf of the Cape Breton Regional Municipality Water Utility:

Mayor

Clerk

Cape Breton Regional Municipality Water Utility

Statement of Special Reserve

For the year ended March 31, 2025

						2025	2024
	Non-shareable debt expenditure	Future capital expenditure	Watershed land acquisition	Sysco waterline maintenance		Total	Total
BALANCE, BEGINNING OF YEAR	\$ 55,793	\$ 943,926	\$ 342,600	\$ 716,245	\$ 2,058,564		\$ 2,052,302
Interest on investments	835	14,183	5,837	–	20,855		6,262
BALANCE, END OF YEAR	\$ 56,628	\$ 958,109	\$ 348,437	\$ 716,245	\$ 2,079,419		\$ 2,058,564

See accompanying notes to financial statements.

Cape Breton Regional Municipality Water Utility

Notes to Financial Statements

For the year ended March 31, 2025

The Cape Breton Regional Municipality Act, assented to by the Province of Nova Scotia on July 30, 1994, legislated the incorporation of the Cape Breton Regional Municipality as of August 1, 1995.

The Cape Breton Regional Municipality Water Utility assumed the operations, as of August 1, 1995, of the following utilities:

Town of Sydney Mines Water Utility
Town of North Sydney Water Utility
Sydney Water Commission
Municipality of the County of Cape Breton Water Utility
Town of Glace Bay Water Utility
Town of Dominion Water Utility
New Waterford and District Water Commission
Town of Louisbourg Water Utility

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements have been prepared in accordance with generally accepted accounting principles adopted for Water Utilities in Nova Scotia and are intended for the use of the Cape Breton Regional Municipality Water Utility (the Water Utility), Council and Service Nova Scotia and Municipal Relations.

The basis of accounting used in these financial statements differs materially from Canadian public sector accounting standards as prescribed by the Chartered Professional Accountants Handbook (the CPA Handbook). The significant differences between generally accepted accounting principles for Water Utilities in Nova Scotia and the CPA Handbook are that the CPA Handbook requires that:

- Financial statements be prepared on a consolidated basis to reflect the assets, liabilities, revenues and expenses, and changes in net assets and in financial position of all organizations, commissions, and agencies which are owned or controlled by the Water Utility. This would include, at a minimum, the individual funds represented in these financial statements – Operating Fund and Capital Fund. The consolidated financial statements prepared in accordance with the CPA Handbook would include consolidated statements of financial position, financial activities, changes in net financial assets, and cash flows.
- Government transfers for the acquisition of tangible capital assets be deferred and amortized to revenue in the capital fund at a rate corresponding with the amortization of the related tangible capital asset.
- Water Utility capitalize all of its capital acquisitions rather than charging some to operations in the year acquired; and
- Principal debt repayments not be recorded as an expense of the Water Utility;

(b) Cash and cash equivalents

Cash and cash equivalents of the operating fund is defined as cash on hand, deposits at banks net of outstanding cheques and deposits, and bank indebtedness.

Cape Breton Regional Municipality Water Utility
Notes to Financial Statements
For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (c) Allowance for doubtful accounts
- A valuation allowance is provided for estimated losses that will be incurred in collecting rates receivable outstanding.
- (d) Inventories
- Inventories are stated at the lower of cost and net realizable value and are measured using the first in, first out basis.
- (e) 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 |
|-----------------------------|---------------|------------|
| 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 |
- (f) Revenue and expenses
- Major revenue and expense items are recorded on an accrual basis.
- Certain sources of revenue, including forfeited discounts and interest on past due rates, are recorded on a cash basis.
- Capital grants and contributions are recorded using the deferral method of accounting and are amortized to revenue at a rate corresponding with the amortization of the related capital asset.
- Principal and interest payments relating to long-term debt are recorded as an expenditure when due for payment.
- (g) 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 Water Utility 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.

Cape Breton Regional Municipality Water Utility
Notes to Financial Statements
For the year ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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 Water Utility recognizes an expense of the same amount as the liability.

At each financial reporting date, the Water Utility reviews the carrying amount of the liability. The Water Utility 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 cashflows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Water Utility 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

(h) 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 the 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, receivables, payables and accruals, accounts and holdbacks payable and long term debt.

Subsequent measurement

At each reporting date, the Water Utility 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 Water Utility uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of financial activities. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payable and accruals, accounts and holdbacks payable and long term debt.

Impairment

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

(h) Financial instruments

Impairment (continued)

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

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation of accounts receivable and carrying amount of capital assets. Actual results could differ from those estimates.

2. TRANSACTIONS WITH CAPE BRETON REGIONAL MUNICIPALITY

- a) In general, and where identifiable, costs incurred by the Cape Breton Regional Municipality on behalf of the Water Utility are charged to the utility.
- b) Salary and wage-related costs are allocated in proportion to time spent performing functions on behalf of the Water Utility.
- c) As prescribed by the Nova Scotia Utility and Review Board, there is a yearly administration fee charged to the Water Utility by the Cape Breton Regional Municipality, which includes salary, overhead, utilities and other administration charges totaling \$12,426,440 (2024 - \$8,449,858).
- d) The Water Utility provides public fire protection to the municipality. The charge for this service (included in operating revenues) amounted to \$7,076,391 (2024 - \$7,076,391). The charge is governed by the Nova Scotia Utility and Review Board.
- e) The Water Utility is not exempt from municipal taxation within the Cape Breton Regional Municipality.
- f) The various funds of the Cape Breton Regional Municipality Water Utility and the Municipality include a series of interfund balances as noted in the respective funds. All interfund balances will be settled within the next fiscal period. No interest has been charged or paid on the interfund balances outstanding.

3. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2025, the Cape Breton Regional Municipality Water Utility had a rate of return on rate base of 4.9% (2024 – 5.7%).

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Notes to Financial Statements

For the year ended March 31, 2025

4. ASSET RETIREMENT OBLIGATION

The Water Utility owns water storage tanks that fall within PS 3280. Upon retirement of these facilities, there is an obligation to eliminate any environmental impact and restore the lands 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 carrying value of the related capital asset.

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

	2025	2024
Opening balance	\$ 139,086	\$ 139,086
Acquired during the year	–	–
Liabilities settled	37,281	–
	\$ 101,805	\$ 139,086

5. FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents, receivables, payables and accruals and accounts and holdbacks payable approximate their fair value due to the relatively short terms to maturity.

The carrying value of inter-fund balances and due to/from Cape Breton Regional Municipality approximates its fair value due to the terms and conditions being the same or similar to current market rates available to the Water Utility.

The fair value of the debt approximates the carrying value because the contractual rates of interest approximate current market rates available to the Water Utility.

6. BUDGET INFORMATION

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

Cape Breton Regional Municipality Water Utility
Schedule A - Utility Plant and Equipment
For the year ended March 31, 2025

	2025	2024
Organization	\$ 4,000	\$ 4,000
Working capital	70,162	70,162
	74,162	74,162
Land and land rights		
Source of supply land	1,517,777	1,435,550
Power and pumping land	343,374	343,374
Transmission land	157,021	157,021
	2,018,172	1,935,945
Structures and improvements		
Source of supply	19,012,595	19,012,595
Power and pumping	7,524,334	7,524,332
Purification structures	2,791,214	2,791,214
Distribution and storage	5,336,968	5,336,968
Shop	299,817	299,817
Asset retirement obligation	101,805	139,086
	35,066,733	35,104,012
Equipment		
Electrical pumping equipment	3,776,122	3,776,122
Diesel pumping equipment	543,261	543,261
Purification equipment	24,596,055	24,596,055
Office furniture and equipment	362,453	362,453
Transportation equipment	309,945	309,945
Meter shop equipment	30,689	30,689
Tools and work equipment	268,948	268,948
Motor operated tools	680,584	680,584
Other	690,072	690,072
	31,258,129	31,258,129
Mains		
Transmission	31,553,000	31,579,074
Distribution	56,380,075	53,903,842
	87,933,075	85,482,916
Services	16,398,335	15,751,013
Meters	12,499,457	12,304,443
Hydrants	4,318,286	4,105,586
	\$ 189,566,349	\$ 186,016,206

Cape Breton Regional Municipality Water Utility
Schedule B - Capital Debt
For the year ended March 31, 2025

	Date of Issue	Maturity Date	Interest Rate %	Balance March 31, 2024		Issued	Redeemed	Balance March 31, 2025
Municipal Finance Corporation								
30-A-1	2010	2025	4.795 – 4.875	\$ 5,250,000	\$	–	\$ 750,000	\$ 4,500,000
34-A-1	2014	2029	3.347 – 3.792	2,400,000		–	400,000	2,000,000
42-A-1	2022	2027	2.908 – 3.290	3,658,000		–	914,500	2,743,500
43-A-1	2023	2028	3.550 – 4.714	3,500,000		–	700,000	2,800,000
				\$14,808,000	\$	–	\$ 2,764,500	\$ 12,043,500

Principal repayments required during the next five years are as follows:

2026	\$ 6,514,500
2027	\$ 2,014,500
2028	\$ 2,014,500
2029	\$ 1,100,000
2030	\$ 400,000