

Mayor's Report on the Financial Statements for the Year Ended December 31, 2017

In conformity with section 105.2.2 of the *Cities and Towns Act*, I am pleased to present a report of the highlights of the financial statements for the year ended December 31, 2017. The financial results in this report are a summary of the official financial statements of the City of Cote Saint Luc ("City") audited by Raymond Chabot Grant Thornton s.e.n.c.r.l. (RCGT). Although this report highlights important information, I invite you to view the complete Ministry of Municipal Affairs (MAMOT) financial statements that are available on the City's website (French only).

Report Highlights

- ▶ Revenues increased by \$1.2 million, or 1.7 per cent compared to the 2016 year. Expenses decreased by \$148,000, or 0.002 per cent, and financing costs (interest and and capital repayments) decreased by \$569,000, or 0.8 per cent compared to 2016.
- ▶ The City posted an operating surplus of \$2.3 million for the fiscal year ended December 31, 2017, compared to the \$1.3 million forecasted surplus presented on October 2, 2017.
- ▶ The major variances that contributed to the \$2.3 million surplus are the following: i) increase in transfer duties revenues (\$944,000); ii) increase in government grants (\$640,000); iii) Agglomeration apportionment reimbursement (\$800,000); iv) decrease in pension plan contributions (\$447,000); and v) increase in snow removal costs (\$360,000).
- ▶ The City spent \$7.4 million in capital investment projects. \$3,1 million was financed by government grants and \$631,000 was transferred from the operating budget and reserves to offset the capital investment expenses.
- ▶ The City's long term debt remained stable at \$52 million even though \$4.8 million of new debt was issued in 2017 to pay for various capital projects.
- ▶ The City received an unqualified audit opinion from RCGT regarding the official MAMOT financial statements that were deposited by the City Treasurer to the Council on May 14, 2018. The auditor's report indicates that, in all material respects, the financial results present an accurate portrait of City's financial position as at December 31, 2017, including the results of its activities, the change in its net financial assets and of its net debt and the cash flows for the fiscal year ended on that date, in conformity with Canadian public sector accounting standards.

Please find below the Statement of Operations and the Statement of Financial Position for the year ended December 31, 2017

STATEMENT OF OPERATIONS

Year ended December 31, 2017

	2017		2016
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Taxes	59,963,422	59,865,825	58,545,350
Payments in lieu of taxes	1,313,760	1,505,085	1,428,317
Government grants (operating budget only)	334,000	977,551	1,092,463
Other Revenues	6,717,768	7,538,964	8,619,899
	68,328,950	69,887,425	69,686,029
EXPENSES			
General administration	10,730,472	11,278,523	13,736,279
Public security	14,095,521	13,748,529	13,831,884
Transportation	12,466,584	15,008,064	14,175,514
Environmental hygiene	9,192,217	8,828,151	8,598,300
Health and welfare	369,721	356,099	369,140
Urban planning and development	1,172,911	1,105,843	1,098,978
Recreation and culture	15,243,924	16,387,822	15,050,722
Financing expenses	1,134,600	1,418,339	1,696,711
Repayment of long-term debt	3,702,600	4,241,434	4,551,500
Appropriations to/(from) the operating budget	220,400	477,414	(609,149)
	68,328,950	72,850,218	72,499,879
Net Revenues	0	(2,962,793)	(2,813,850)
Adjustments: Depreciation	0	4,724,262	4,435,192
Proceeds of disposition /(Gain)/Loss on disposal	0	551,931	283,939
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	0	2,313,400	1,905,281

STATEMENT OF FINANCIAL POSITION

as at December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	7,587,379	4,420,534
Accounts receivable	13,205,821	12,921,670
Investments	0	0
Employee future benefits	1,499,600	1,377,400
	22,292,800	18,719,604
LIABILITIES		
Accounts payable and accrued liabilities	9,804,968	8,971,410
Deferred revenues	823,653	767,970
Long-term debt	52,112,408	52,022,981
	62,741,029	61,762,361
NET DEBT	40,448,229	43,042,757
NON-FINANCIAL ASSETS		
Capital assets	78,435,348	76,023,164
Assets held for sale	0	286,205
Inventories	256,565	286,152
Other non-financial assets	223,966	66,816
	78,915,879	76,662,337
ACCUMULATED SURPLUS (DEFICIT)	38,467,650	33,619,580
DETAILS OF THE ACCUMULATED SURPLUS		
Unrestricted operating surplus (incl. pension plan surplus)	8,380,585	6,118,409
Financial Reserves and reserved funds	3,239,515	3,386,116
Amount to be taxed or funded in the future	(349,600)	(399,500)
Surplus (deficit) from capital asset activities	(947,283)	(2,138,466)
Net investment in capital assets	28,144,433	26,653,021
	38,467,650	33,619,580

CAPITAL INVESTMENTS

Year ended December 31, 2017

	2017	2016
	Actual	Actual
	\$	\$
REVENUES		
Government grants	3,092,015	2,085,189
EXPENSES		
Aqueduct and sewer infrastructure	319,578	22,057
Repairs to underpasses (Westminster and Cavendish)	2,716,425	1,893,789
Parks and playground equipment	1,134,627	2,864,630
Municipal buildings	2,293,487	1,872,982
Vehicles	663,248	1,681,023
Furniture and office equipment	57,527	344,119
Machinery and heavy equipment	217,280	93,758
	7,402,172	8,772,358

Conclusion

On an annual basis, City Council and City Administration focus on creating a fair, efficient and responsible budget, and in monitoring revenues and expenses throughout the year. I am very happy with the financial position of the City and assure you that we will continue to do everything possible to maintain the excellent level of services and high quality standards that residents have come to expect and that have made our city an incredible place to call home.

Mitchell Brownstein
Mayor

City of Côte Saint-Luc, June 11, 2018