



In conformity with section 105.2.2 of the Cities and Towns Act, I am pleased to present the highlights of the financial statements for the year ended December 31, 2021. The financial results in this report are a summary of the official financial statements of the City of Côte Saint-Luc ("City") audited by Deloitte S.E.N.C.R.L./s.r.l. Although this report has important information, I invite you to view the detailed Ministry of Municipal Affairs (MAMH) financial statements posted on the City's website.

Please find below various report highlights and financial statements for the year ended December 31, 2021.

Report Highlights

OPERATIONS

- ▶ Last year, I reported that the MAMH provided a \$3 million grant to cover COVID-19 related revenue/expenses. The City Council decided to use the grant in 2021 and 2022 to offset the Agglomeration apportionment increases and other revenue/expense affected by the pandemic. Although \$1.35 million was budgeted in 2021, the funds were not required and the entire amount will be transferred to 2022. The grant has already provided a direct benefit to residents since it allowed the City to freeze taxes for the average family home in 2021 and reduce the tax rate increase in 2022.
- ▶ In 2021, operating revenues increased by \$717,600 (0.9%), operating expenses increased by \$5.2 million (7.4%), capital repayments increased by \$598,300 (12.1%), and appropriations to/from reserves decreased by \$781,500 (-81.5%) compared to 2020.
- ▶ Despite challenges in offering programs and services due to restrictive safety measures, the City posted a local operating surplus of \$3.75 million for 2021. The surplus was possible due to a high number of property sales that generated record-breaking transfer duties revenues.
- ▶ The major variances that contributed to the \$3.75 million surplus (budget versus actual) are the following:

Revenues: i) increase in transfer duties revenues (\$2,470,600); ii) increase in government grants/transfers (\$369,500); iii) increase in taxation revenues due to new construction/other (\$717,800); iv) increase in permits and licences revenue (\$200,300); v) decrease in recreation and culture program revenues (\$1,225,000); and vi) increase in all other revenues (\$691,600).

Expenses: i) increase in administration and public safety expense (\$62,600); ii) decrease in public works expenses (\$326,600); iii) decrease in snow removal expenses (\$438,900); iv) decrease in environmental expenses (\$261,900); v) decrease in recreation, ACC and library expenses (\$1,198,600); vi) decreases in appropriations a) from the water financial reserve to cover lead service line testing in 2021 (\$42,800) and b) the portion of the MAMH grant that was not required in 2021 (\$1,345,700).

- ▶ In 2021, general administration expenses, including Agglomeration and amortization, increased by \$4.27 million (51.2%) compared to 2020. The Agglomeration apportionment increased by \$3.09 million (72.2%) due to the City of Montreal's redistribution of expenses, amortization increased by \$155,400 (3.6%) and other local expenses increased by \$1.03 million (24.1%) compared to 2020. *Note: the City has no control over the distribution of the Agglomeration apportionment.*
- ▶ The City received an unqualified audit opinion from Deloitte S.E.N.C.R.L./s.r.l. regarding the financial statements that were deposited by the City Treasurer to the Council on May 9, 2022. The auditor's report indicates that, in all material respects, the financial results present an accurate portrait of the City's financial position as at December 31, 2021.

FINANCIAL POSITION

- ▶ The City's unrestricted operating surplus is \$11.4 million at December 31, 2021, compared to \$9.25 million at December 31, 2020. The unrestricted surplus can be used to finance capital projects or reduce long-term debt.
- ▶ In addition, the City has a restricted surplus of \$5.27 million at December 31, 2021. The restricted surplus includes the MAMH COVID grant (\$2.96 million), reserved funds for various capital projects (\$1.9 million) and legal purposes (\$400,000).
- ▶ The City's long-term debt has decreased slightly to \$50.7 million at December 31, 2021, compared to \$52 million at December 31, 2020. The City borrowed \$5 million of new long-term debt and reimbursed \$6.3 million in capital repayments in 2021.

CAPITAL INVESTMENTS

- ▶ The City spent \$11.2 million in capital expenditures in 2021. The expenditures were financed by the TECQ grant (\$1.8 million), internal transfers from surplus/reserves (\$1.4 million) and long-term debt (\$5 million). The balance will be financed in 2022 once the remaining projects are completed.

Please find below the Statement of Operations and the Statement of Financial Position for the year ended December 31, 2021.

Veillez trouver ci-dessous l'état des résultats et l'état de la situation financière pour l'exercice se terminant le 31 décembre 2021.

STATEMENT OF OPERATIONS Year ended December 31, 2021		2021		2020	2021 vs 2020	ÉTAT DES RÉSULTATS Exercice terminé le 31 décembre 2021	
		Budget (\$)	Actual Réalisations (\$)	Actual Réalisations (\$)	Inc./Dec. Aug./dim. (%)		
REVENUES	Taxes	65 473 520	66 191 296	64 871 581	2.0%	REVENUS	Taxes
	Payments in lieu of taxes	1 558 800	1 685 786	1 537 824	9.6%		Compensation tenant lieu de taxes
	Government grants (operating budget only)	1 176 680	1 576 062	4 234 745	(62.8%)		Transferts—subventions (fonctionnement)
	Other revenues	7 059 350	9 040 007	7 131 411	26.8%		Autres revenus
		75 268 350	78 493 151	77 775 561	0.9%		
EXPENSES AND DEBT SERVICE COSTS	General administration	12 158 863	12 613 934	8 345 127	51.2%	CHARGES ET FRAIS DE SERVICE DE LA DETTE	Administration générale
	Public security	13 464 111	13 421 909	14 796 978	(9.3%)		Sécurité publique
	Transportation	14 742 784	16 476 888	16 885 803	(2.4%)		Transport
	Environmental hygiene	10 236 046	10 104 766	9 280 564	8.9%		Hygiène du milieu
	Health and welfare	397 130	407 465	414 749	(1.8%)		Santé et bien-être
	Urban planning and development	2 367 287	2 328 937	2 028 939	14.8%		Aménagement urbanisme et développement
	Recreation and culture	17 027 339	18 803 430	17 174 951	9.5%		Loisirs et culture
	Financing expenses	1 247 070	1 384 749	1 429 394	(3.1%)		Frais de financement
	Sub-total	71 640 630	75 542 078	70 356 505	7.4%		Sous-total
	Repayment of long-term debt	5 016 080	5 550 080	4 951 800	12.1%		Remboursement de la dette à long terme
Appropriations to/(from) the operating budget	(1 388 360)	177 745	959 287	(81.5%)	Affectations au / (du) budget de fonctionnement		
	75 268 350	81 269 903	76 267 592	6.6%			
Net Revenues	0	(2 776 752)	1 507 969		Revenus nets		
Adjustments: Depreciation	0	6 531 621	6 208 015		Ajustements: Amortissement		
Net proceeds of disposition / Gain on disposal	0	0	0		Produit de cession / Gain sur cession		
SURPLUS (DEFICIT) FOR THE YEAR	0	3 754 869	7 715 984		EXCÉDENT (DÉFICIT) DE FONCTIONNEMENT POUR L'ANNÉE		

STATEMENT OF FINANCIAL POSITION as of December 31, 2021		2021	2020	2021 vs 2020	ÉTAT DE LA SITUATION FINANCIÈRE Au 31 décembre 2021
		Actual Réalizations (\$)	Actual Réalizations (\$)	Inc./.(Dec.) Aug./.(dim.) (%)	
FINANCIAL ASSETS					ACTIFS FINANCIERS
Cash	10 771 079	12 584 631	(14.4%)	Trésorerie et équivalents de trésorerie	
Accounts receivable	14 060 112	13 087 736	7.4%	Débiteurs	
Investments	0	0		Placements de portefeuille	
Employee future benefits	410 700	1 159 500	(64.6%)	Actif au titre des avantages sociaux futurs	
	25 241 891	26 831 867	(5.9%)		
LIABILITIES					PASSIF
Accounts payable and accrued liabilities	9 617 207	10 003 190	(3.9%)	Créditeurs et charges à payer	
Deferred revenues	1 167 090	1 012 348	15.3%	Revenus reportés	
Long-term debt	50 701 685	52 004 555	(2.5%)	Dettes à long terme	
	61 485 982	63 020 093	(2.4%)		
NET DEBT	36 244 091	36 188 226	0.2%	DETTE NETTE	
NON-FINANCIAL ASSETS					ACTIFS NON FINANCIERS
Capital assets	96 952 361	92 261 637	5.1%	Immobilisations	
Assets held for sale	0	0		Propriétés destinées à la revente	
Inventories	245 352	245 796	(0.2%)	Stocks de fournitures	
Other non-financial assets	257 986	154 109	67.4%	Autres actifs non financiers	
	97 455 699	92 661 542	5.2%		
ACCUMULATED SURPLUS (DEFICIT)		61 211 608	56 473 316	8.4%	EXCÉDENT (DÉFICIT) ACCUMULÉ
DETAILS	Unrestricted operating surplus	11 404 146	9 251 600		DETAILS
	Unrestricted operating surplus —pension plan	410 700	1 159 500		
	Restricted operating surplus	5 266 291	4 177 609		
	Reserved funds	3 228 021	3 251 154		
	Amount to be taxed or funded in the future	(150 000)	(199 900)		
	Surplus (deficit) from capital asset activities	(4 321 186)	(1 299 479)		
	Net investment in capital assets	45 373 636	40 132 832		
		61 211 608	56 473 316		

CAPITAL INVESTMENTS Year ended December 31, 2021		2021	2020	INVESTISSEMENT Exercice terminé le 31 décembre 2021
		Actual Réalizations (\$)	Actual Réalizations (\$)	
REVENUES				REVENUS
Government grants	1 787 219	1 036 983	Transferts—subventions	
Long-term debt financing	5 000 000	6 000 000	Financement de la dette à long terme	
Appropriations— Operating/Surplus/Reserves	1 416 853	1 124 374	Affectations— fonctionnement/excédent/réserves	
	8 204 072	8 161 357		
EXPENDITURES				DÉPENSES
Aqueduct and sewer infrastructure	651 121	393 868	Conduites d'eau potable et d'égout	
Repairs to roads, sidewalks, underpasses, street and traffic lights	4 967 794	944 793	Réparations aux rues, trottoirs, viaduc, feux de rue et de circulation	
Parks and playground equipment	2 114 032	333 348	Parcs et terrains de jeux	
Municipal buildings	2 580 217	3 517 561	Bâtiments municipaux	
Vehicles	709 485	764 428	Véhicules	
Furniture and office equipment	70 084	86 717	Ameublement et équipement de bureau	
Machinery and heavy equipment	129 612	8 294	Machinerie, outillage et équipement divers	
	11 222 345	6 049 009		

Conclusion

On an annual basis, City Council's and Administration's focus is on creating a fair, efficient and responsible budget, and in monitoring revenues and expenses throughout the year. I am very pleased with the current financial position of the City and assure you that we will continue to do everything possible to maintain the same excellent level of services and high quality standards in the future.



Mitchell Brownstein
Mayor

Côte Saint-Luc, May 9, 2022