

Mayor's Message on the Financial Statements for the Year Ended December 31, 2018



In conformity with section 105.2.2 of the Cities and Towns Act, I am pleased to present a summary of the highlights of the financial statements for the year ended December 31, 2018. 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. Although this report has important information, I invite you to view the complete Ministry of Municipal Affairs (MAMH) financial statements posted on the City's website (French only).

Report Highlights

- ▶ Revenues increased by \$3.3 million, or 7.7 per cent compared to 2017. Expenses increased by \$2.9 million, or 4.37 per cent, financing costs (interest and capital repayments) increased by \$830,000, or 1.47 per cent, and appropriations from reserves decreased \$114,000 or 2.4 per cent. The increase in taxation revenue was due to the significant increase of the Agglomeration apportionment imposed by the City of Montreal in January 2018 that required the City to apply a 1.5 per cent increase to most taxpayers.
- ▶ The City posted an operating surplus of \$1.749 million for the fiscal year ended December 31, 2018, compared to the \$2.313 million for the year ended December 31, 2017.
- ▶ The major variances that contributed to the \$1.749 million surplus are the following: i) increase in transfer duties revenues (\$1.4 million); ii) increase in government grants (\$178,000); iii) increase in miscellaneous revenues (\$207,000); iv) decrease in administration expenses (\$266,000); v) decrease in recreation net expenses (\$219,000); and vi) increase in capital reimbursement (\$503,000).
- ▶ The City spent \$9.5 million in capital investment projects. \$4.4 million was financed by the TECQ government grant for aqueduct and sewer sleeving projects, City Hall parking lot project and a portion of the Cavendish underpass rehabilitation project.
- ▶ The City's long-term debt was reduced slightly to \$51.3 million, compared to \$52.1 million at December 31, 2017. The City borrowed \$4.9 million of new debt in 2018 but reimbursed \$5.7 in capital repayments. The City chose to reduce debt service by reimbursing a loan in the amount of \$503,000 that was due to be refinanced—this will generate future savings of interest costs to taxpayers.
- ▶ The City received an unqualified audit opinion from Deloitte regarding the official MAMH financial statements that were deposited by the City Treasurer to the Council on May 13, 2019. 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, 2018, including the results of its activities, the change in its net financial assets and of its net debt and the cash flow 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, 2018.

STATEMENT OF OPERATIONS Year ended December 31, 2018

		2018		2017
		Budget (\$)	Actual (\$)	Actual (\$)
REVENUES	Taxes	61,720,730	61,894,425	59,865,825
	Payments in lieu of taxes	1,415,960	1,497,169	1,505,085
	Government grants (operating budget only)	779,120	775,557	977,551
	Other revenues	6,626,320	9,017,039	7,538,964
		70,542,130	73,184,190	69,887,425
EXPENSES	General administration	11,089,491	11,106,860	11,278,523
	Public security	13,624,419	13,642,240	13,748,529
	Transportation	13,258,603	16,720,065	15,008,064
	Environmental hygiene	9,231,951	9,130,499	8,828,151
	Health and welfare	358,444	352,418	356,099
	Urban planning and development	1,182,955	1,124,267	1,105,843
	Recreation and culture	16,158,997	17,552,327	16,387,822
	Financing expenses	1,279,390	1,373,170	1,418,339
	Repayment of long-term debt	4,122,180	5,116,477	4,241,434
	Appropriations to/(from) the operating budget	235,700	363,410	477,414
		70,542,130	76,481,733	72,850,218
	Net Revenues	0	(3,297,543)	(2,962,793)
	Adjustments: Depreciation	0	5,046,721	4,724,262
	Proceeds of disposition /(Gain)/Loss on disposal	0	0	551,931
	OPERATING SURPLUS (DEFICIT) FOR THE YEAR	0	1,749,178	2,313,400

STATEMENT OF FINANCIAL POSITION as of December 31, 2018

	2018 (\$)	2017 (\$)
FINANCIAL ASSETS		
Cash	6,666,679	7,587,379
Accounts receivable	14,737,574	13,205,821
Investments	0	0
Employee future benefits	1,388,600	1,499,600
	22,792,853	22,292,800
LIABILITIES		
Accounts payable and accrued liabilities	8,613,592	9,804,968
Deferred revenues	874,310	823,653
Long-term debt	51,313,044	52,112,408
	60,800,946	62,741,029
NET DEBT	38,008,093	40,448,229
NON-FINANCIAL ASSETS		
Capital assets	82,859,538	78,435,348
Assets held for sale	0	0
Inventories	244,522	256,565
Other non-financial assets	229,413	223,966
	83,333,473	78,915,879
ACCUMULATED SURPLUS (DEFICIT)	45,325,380	38,467,650
DETAILS		
Unrestricted operating surplus (incl. pension plan surplus)	5,887,094	8,380,585
Restricted operating surplus	4,150,000	0
Reserved funds	3,523,595	3,239,515
Amount to be taxed or funded in the future	(299,700)	(349,600)
Surplus (deficit) from capital asset activities	(700,709)	(947,283)
Net investment in capital assets	32,765,100	28,144,433
	45,325,380	38,467,650
CAPITAL INVESTMENTS Year ended December 31, 2018		
	2018	2017
	Actual (\$)	Actual (\$)
REVENUES		
Government grants	4,375,386	3,092,015
Donation	300,000	0
	4,675,386	3,092,015
EXPENDITURES		
Aqueduct and sewer infrastructure	3,504,504	319,578
Repairs to underpasses (Cavendish)	1,728,858	2,716,425
Parks and playground equipment	1,403,042	1,134,627
Municipal buildings	1,061,170	2,293,487
Vehicles	1,422,709	663,248
Furniture and office equipment	190,951	57,527
Machinery and heavy equipment	159,677	217,280
	9,470,911	7,402,172

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 pleased 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.



Mitchell Brownstein
Mayor

May 13, 2019