

Mayor's Message on the Financial Statements for the Year Ended December 31, 2019



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, 2019. 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 LLP. Although this report has important information, I invite you to view the Ministry of Municipal Affairs (MAMH) financial statements posted on the City's website.

Report Highlights

- ▶ Operating revenues increased by \$2 million, or 2.7% compared to 2018. Operating expenses increased by \$1.6 million, or 2.2%, financing costs (interest and capital repayments) decreased by \$247,000, or 3.81%, and appropriations from reserves increased by \$101,000, or 27.9%.
- ▶ The City posted an operating surplus of \$2.964 million for the fiscal year ended December 31, 2019, compared to the \$1.749 million for the year ended December 31, 2018.
- ▶ The major variances that contributed to the \$2.964 million surplus are the following: i) increase in transfer duties revenues (\$1,667,200); ii) increase in government grants (\$228,300); iii) increase in interest revenues (\$214,900); iv) increase in permit and licences fees (261,900); v) decrease in administration expenses (\$490,600); vi) decrease in recreation and library net expenses (\$415,000); and vii) increase in snow removal costs (\$610,300).
- ▶ The City spent \$15.2 million in capital investment projects. The City Council appropriated \$6.9 million from the City's cumulative surplus and reserves to finance various projects, therefore, reducing the need for financing through long-term debt.
- ▶ The City's long term debt has increased slightly to \$51.6 million at December 31, 2019, compared to \$51.3 million at December 31, 2018. The City borrowed \$5.8 million of new debt and reimbursed \$5.5 million in capital repayments in 2019.
- ▶ The City received an unqualified audit opinion from Deloitte LLP regarding the financial statements that were deposited by the City Treasurer to the Council on May 11, 2020. 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, 2019, 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, 2019.

| STATEMENT OF OPERATIONS Year ended December 31, 2019 | | | | |
|---|---|-------------------|-------------------|-------------------|
| | | 2019 | | 2018 |
| | | Budget (\$) | Actual (\$) | Actual (\$) |
| REVENUES | Taxes | 63,417,980 | 63,485,182 | 61,894,425 |
| | Payments in lieu of taxes | 1,462,800 | 1,590,031 | 1,497,169 |
| | Government grants (operating budget only) | 811,400 | 1,046,158 | 1,075,557 |
| | Other revenues | 7,100,830 | 9,052,868 | 8,717,039 |
| | | 72,793,010 | 75,174,239 | 73,184,190 |
| EXPENSES | General administration | 10,528,807 | 10,980,329 | 11,106,860 |
| | Public security | 14,115,560 | 13,924,067 | 13,642,240 |
| | Transportation | 13,667,316 | 16,807,031 | 16,720,065 |
| | Environmental hygiene | 9,396,117 | 9,453,335 | 9,130,499 |
| | Health and welfare | 358,442 | 359,360 | 352,418 |
| | Urban planning and development | 1,526,663 | 1,425,400 | 1,124,267 |
| | Recreation and culture | 17,274,825 | 18,244,295 | 17,552,327 |
| | Financing expenses | 1,326,830 | 1,390,690 | 1,373,170 |
| | Repayment of long-term debt | 4,346,830 | 4,851,833 | 5,116,477 |
| | Appropriations to/(from) the operating budget | 251,620 | 464,838 | 363,410 |
| | 72,793,010 | 77,901,178 | 76,481,733 | |
| | Net Revenues | 0 | (2,726,939) | (3,297,543) |
| | Adjustments: Depreciation | 0 | 5,690,743 | 5,046,721 |
| | Net proceeds of disposition /Gain on disposal | 0 | 0 | 0 |
| | SURPLUS (DEFICIT) FOR THE YEAR | 0 | 2,963,804 | 1,749,178 |

| STATEMENT OF FINANCIAL POSITION as of December 31, 2019 | | |
|--|-------------------|-------------------|
| | 2019 (\$) | 2018 (\$) |
| FINANCIAL ASSETS | | |
| Cash | 4,935,735 | 6,666,679 |
| Accounts receivable | 11,957,071 | 14,737,574 |
| Investments | 0 | 0 |
| Employee future benefits | 1,501,900 | 1,388,600 |
| | 18,394,706 | 22,792,853 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 10,414,497 | 8,613,592 |
| Deferred revenues | 1,149,540 | 874,310 |
| Long-term debt | 51,615,176 | 51,313,044 |
| | 63,179,213 | 60,800,946 |
| NET DEBT | 44,784,507 | 38,008,093 |
| NON-FINANCIAL ASSETS | | |
| Capital assets | 92,420,643 | 82,859,538 |
| Assets held for sale | 0 | 0 |
| Inventories | 238,436 | 244,522 |
| Other non-financial assets | 142,705 | 229,413 |
| | 92,801,784 | 83,333,473 |
| ACCUMULATED SURPLUS (DEFICIT) | | |
| | 48,017,277 | 45,325,380 |
| DETAILS | | |
| Unrestricted operating surplus (incl. pension plan surplus) | 5,830,691 | 5,887,094 |
| Restricted operating surplus | 1,665,176 | 4,150,000 |
| Reserved funds | 2,804,568 | 3,523,595 |
| Amount to be taxed or funded in the future | (249,800) | (299,700) |
| Surplus (deficit) from capital asset activities | (3,373,396) | (700,709) |
| Net investment in capital assets | 41,340,038 | 32,765,100 |
| | 48,017,277 | 45,325,380 |
| CAPITAL INVESTMENTS Year ended December 31, 2019 | | |
| | 2019 | 2018 |
| | Actual (\$) | Actual (\$) |
| REVENUES | | |
| Government grants | 0 | 4,375,386 |
| Donation | 60,000 | 300,000 |
| Other | 42,165 | 0 |
| | 102,165 | 4,675,386 |
| EXPENDITURES | | |
| Aqueduct and sewer infrastructure | 0 | 3,504,504 |
| Repairs to roads, sidewalks and underpass | 2,425,178 | 1,728,858 |
| Parks and playground equipment | 2,627,898 | 1,403,042 |
| Municipal buildings | 9,532,822 | 1,061,170 |
| Vehicles | 293,583 | 1,422,709 |
| Furniture and office equipment | 372,033 | 190,951 |
| Machinery and heavy equipment | 334 | 159,677 |
| | 15,251,848 | 9,470,911 |

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 11, 2020