



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, 2023. 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 detailed Ministry of Municipal Affairs and Housing (MAMH) financial statements posted on the City's website.

Report Highlights

- ▶ In 2023, operating revenues increased by \$1.6 million (1.9%), operating expenses increased by \$5.9 million (7.2%), capital repayments increased by \$380,000 (6.7%), and appropriations to/from reserves increased by \$1.3 million (171.2%) compared to 2022.
- ▶ The Agglomeration apportionment increased to \$34 million in 2023 vs \$30.9 million in 2022. The majority of the \$3.1 million increase was due to the 15% increase in general operating net expenses imposed by the City of Montreal and the deficit incurred by the Agglomeration in 2021.
- ▶ The City Council had originally decided to transfer \$2.1 million from the surplus in 2023 to cover the significant increase in the Agglomeration apportionment and effect of the new evaluation roll for 2023 – 2025 while keeping the average tax increase below 6%. These funds came from the Quebec Municipal Affairs (MAMH) Covid-19 grant. In the end, the City only required \$1.5 million of this amount to balance the budget for 2023.
- ▶ The major variances for 2023 (actual versus budget) are the following:

Revenues: i) decrease in transfer duties revenue (\$1.2 million); ii) increase in revenue from infractions (\$200,000); iii) contribution from Hydro-Québec for their share of work related to the road resurfacing projects (\$1.1 million); iv) increase in interest income due to higher interest rates (\$770,000); (v) increase in government grants (\$330,000); vi) City of Montreal's reimbursement of ice-storm expenses (\$95,100).

Expenses: i) increase in insurance premiums (\$286,400); ii) Hydro-Québec share of capital project that is offset by revenues (\$1.1 million); iii) decrease of expenses related to maintenance and repairs of the water network due to a transfer to the capital budget and paid by the TECQ grant (\$533,000); iv) increase in interest payments related to long-term debt due to higher interest rates (\$91,500); v) transfer from the operating budget to cover various capital projects (\$215,000); vi) transfer to the water financial reserve (\$150,000) and vii) retroactive salary provisions for blue-collar employees due to the advancement of the collective agreement negotiations.

We were able to reduce the transfer from the cumulative surplus because of savings in departmental budgets due to tight budget controls.

- ▶ The City's unrestricted operating surplus is \$12.4 million at December 31, 2023, compared to \$14.3 million at December 31, 2022. The Council approved \$1.7 million in the capital budget for upgrades to various parks, the pickleball courts and the roof repairs at the Sports Annex.
- ▶ In addition, the City has a restricted surplus of \$3.5 million at December 31, 2023. The restricted surplus includes the balance of the MAMH Covid-19 grant (\$1.47 million), reserved funds for various capital projects (\$1.66 million) and legal purposes (\$400,000).
- ▶ The City spent \$17.5 million in capital expenditures in 2023. The expenditures were financed by government grants (\$14.1 million), internal transfers from surplus/reserves (\$2.3 million) and long-term debt (\$6 million). Most of the long-term debt issued in 2023 covered expenditures incurred in previous years.
- ▶ The City's long-term debt has decreased slightly to \$50.9 million at December 31, 2023, compared to \$51.0 million at December 31, 2022. The City borrowed \$6 million of new long-term debt and reimbursed \$6.1 million in capital repayments in 2023.
- ▶ The City received a qualified opinion from Deloitte S.E.N.C.R.L. concerning the financial statements which were tabled by the Treasurer to Council on May 13, 2024. The qualified opinion is related to the new accounting standard *PS 3280—Asset Retirement Obligations* that came into effect in 2023 for the municipal sector. Although the City has made significant progress in meeting its obligations, similar to most municipalities in the country, we have not completed the exercise and cannot attest to the potential future liabilities for all of the City's assets. The auditor's report indicates that the financial statements, in all material respects, present a true and fair view of the financial situation of the City as of December 31, 2023.



Please find below the Statement of Operations and the Statement of Financial Position for the year ended December 31, 2023.

ÉTAT DES RÉSULTATS Exercice terminé le 31 décembre 2023		2023		2022	2023 vs 2022	STATEMENT OF OPERATIONS Year ended December 31, 2023	
		Budget (\$)	Réalisations Actual (\$)	Réalisations Actual (\$)	Aug./ (dim.) Inc./ (Dec.) (%)		
REVENUS	Taxes	72 227 900	72 164 132	68 126 053	5.9%	REVENUES	Taxes
	Compensation tenant lieu de taxes	1 685 000	1 755 662	1 607 031	9.3%		Payments in lieu of taxes
	Transferts—subventions (fonctionnement)	1 593 150	3 066 115	1 790 851	71.2%		Government grants (operating budget only)
	Autres revenus	8 702 100	8 908 794	12 782 594	(30.3%)		Other revenues
		84 208 150	85 894 703	84 306 529	1.9%		
CHARGES ET FRAIS DE SERVICE DE LA DETTE	Administration générale	15 567 364	16 061 618	14 677 356	9.4%	EXPENSES AND DEBT SERVICE COSTS	General administration
	Sécurité publique	15 926 282	15 793 187	14 943 379	5.7%		Public security
	Transport	18 400 249	19 699 398	17 495 881	12.6%		Transportation
	Hygiène du milieu	11 300 129	9 947 256	9 792 881	1.6%		Environmental hygiene
	Santé et bien-être	600 429	608 384	441 127	37.9%		Health and welfare
	Aménagement urbanisme et développement	2 531 260	2 360 725	2 320 152	1.8%		Urban planning and development
	Loisirs et culture	21 981 107	21 899 958	20 853 818	5.0%		Recreation and culture
	Frais de financement	1 271 650	1 315 702	1 240 905	6.0%		Financing expenses
	Sous-total	87 578 470	87 686 228	81 765 499	7.2%		Sub-total
	Remboursement de la dette à long terme	5 496 300	6 059 100	5 680 100	6.7%		Repayment of long-term debt
Affectations au / (du) budget de fonctionnement	(1 532 710)	(537 118)	753 980	(171.2%)	Appropriations to/(from) the operating budget		
	91 542 060	93 208 210	88 199 579	5.7%			
Revenus nets	(7 333 910)	(7 313 507)	(3 893 050)		Net Revenues		
Ajustements: Amortissement	7 333 910	7 313 507	6 708 841		Adjustments: Depreciation		
Produit de cession / (Gain) / perte sur cession	0	0	51 624		Net proceeds of disposition / Gain on disposal		
EXCÉDENT (DÉFICIT) DE FONCTIONNEMENT POUR L'ANNÉE	0	0	2 867 415		SURPLUS (DEFICIT) FOR THE YEAR		

ÉTAT DE LA SITUATION FINANCIÈRE Au 31 décembre 2023		2023	2022	2023 vs 2022	STATEMENT OF FINANCIAL POSITION as of December 31, 2023	
		Réalisations Actual (\$)	Réalisations Actual (\$)	Aug./dim. Inc./Dec. (%)		
ACTIFS FINANCIERS					FINANCIAL ASSETS	
	Trésorerie et équivalents de trésorerie	6 670 412	13 111 779	(49.1%)	Cash	
	Débiteurs	27 952 248	16 743 238	67.0%	Accounts receivable	
	Placements de portefeuille	0	0		Investments	
	Actif au titre des avantages sociaux futurs	0	0	0.0%	Employee future benefits	
		34 622 660	29 855 017	16.0%		
PASSIF					LIABILITIES	
	Créditeurs et charges à payer	14 859 447	12 111 884	22.7%	Accounts payable and accrued liabilities	
	Revenus reportés	1 608 858	1 487 841	8.1%	Deferred revenues	
	Dette à long terme	50 963 919	51 046 550	(0.2%)	Long-term debt	
	Passif au titre des avantages sociaux futurs	123 200	283 100		Employee future benefits—liability	
		67 555 424	64 929 375	4.0%		
DETTE NETTE		32 932 764	35 074 358	(6.1%)	NET DEBT	
ACTIFS NON FINANCIERS					NON-FINANCIAL ASSETS	
	Immobilisations	112 428 717	102 286 822	9.9%	Capital assets	
	Propriétés destinées à la revente	0	0		Assets held for sale	
	Stocks de fournitures	216 759	249 359	(13.1%)	Inventories	
	Autres actifs non financiers	337 829	257 333	31.3%	Other non-financial assets	
		112 983 305	102 793 514	9.9%		
EXCÉDENT (DÉFICIT) ACCUMULÉ		80 050 541	67 719 156	18.2%	ACCUMULATED SURPLUS (DEFICIT)	
DÉTAILS	Excédent de fonctionnement non affecté (y compris l'excédent du régime de retraite)	12 311 034	14 252 949		DÉTAILS Unrestricted operating surplus (incl. pension plan surplus)	
	Excédent de fonctionnement affecté	3 528 416	4 967 704			Restricted operating surplus
	Réserves financières et fonds réservés	4 089 833	3 549 634			Reserved funds
	Dépenses constatées à taxer ou à pourvoir	(50 200)	(100 100)			Amount to be taxed or funded in the future
	Financement des investissements en cours	(417 734)	(5 339 228)			Surplus (deficit) from capital asset activities
	Investissement net dans les immobilisations et autres actifs	60 589 192	50 388 197			Net investment in capital assets
		80 050 541	67 719 156			

INVESTISSEMENT Exercice terminé le 31 décembre 2023		2023	2022	CAPITAL INVESTMENTS Year ended December 31, 2023
		Actual Réalizations (\$)	Actual Réalizations (\$)	
REVENUS				REVENUES
	Transferts—subventions	14 122 910	3 966 518	Government grants
	Dette à long terme	6 000 000	6 000 000	Long-term debt
	Affectations—fonctionnement/excédent de fonctionnement / réserves	2 307 311	1 183 068	Appropriations— Operating/Surplus/Reserves
		22 430 221	11 149 586	
DÉPENSES				EXPENDITURES
	Conduites d'eau potable et d'égout	7 360 430	1 573 297	Aqueduct and sewer infrastructure
	Réparations aux rues, trottoirs, feux de rue et de circulation	5 404 165	3 802 603	Repairs to roads, sidewalks, street and traffic lights
	Parcs et terrains de jeux	3 305 311	5 082 476	Parks and playground equipment
	Bâtiments municipaux	66 487	581 911	Municipal buildings
	Véhicules	823 174	852 068	Vehicles
	Ameublement et équipement de bureau	271 646	45 813	Furniture and office equipment
	Machinerie, outillage et équipement divers	224 188	156 758	Machinery and heavy equipment
		17 455 402	12 094 926	

Conclusion

On an annual basis, City Council and Administration focus on creating a fair and responsible budget, and in monitoring revenues and expenses throughout the year. I am very pleased that the City continues to be in very good financial health and assure you that we will 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 13, 2024