



## HIGHLIGHTS OF THE FINANCIAL REPORT AND EXTERNAL AUDITOR'S REPORT

Dear Fellow Citizens,

In conformity with section 105.2.2 of the Cities and Towns Act, I am pleased to present to you the highlights of the financial report for the fiscal year ended December 31, 2019. The report must be made public at a regular Council meeting held no later than in June and must be made available throughout the Town.

### Overview

Town of Mount Royal ended its 2019 fiscal year with an operating surplus for fiscal purposes of \$11,275,892.

Operating revenues	\$102,475,545
Operating expenses	(\$98,555,438)
Amortization of capital assets	\$5,736,602
Repayment of long-term debt	(\$3,779,763)
Appropriations	\$5,398,946
<hr/>	
Operating surplus for the year for fiscal purposes	\$11,275,892

### Expenses and revenues

The \$11,275,892 surplus is attributable to higher revenues combined with savings in operating expenses, compared with the 2019 budget adopted by Council in December 2018.

Overall, operating revenues totalled \$102.5 million, \$6.1 million (6.3%) more than the 2019 budget forecast. This positive difference is largely due to additional revenues generated by the issuing of construction permits in the commercial-industrial sector, real estate transfer taxes and the sale of part of Royden Street in the industrial sector.

The Town's operating expenses, which were less than budgeted, were another significant factor contributing to the positive result in 2019. Specifically, operating expenses before amortization totalled \$92.8 million, \$4.7 million (4.8%) less than the 2019 budget forecast. The main factors behind the positive difference include overall remuneration, tree maintenance and horticultural operations, water distribution and sewer system maintenance, limited use of external professional services and debt-servicing.

### **Infrastructures**

In 2019, the municipal administration invested \$11.7 million in Town infrastructures.

<b>Category</b>	<b>2019</b>
Reconstruction, repair and resurfacing of streets and sidewalks	\$3,437,942
Greening of the Bates-Ekers neighbourhood	\$2,387,673
Sewer and water main rehabilitation	\$1,616,488
Preparing plans and specifications for the new sports and community centre	\$1,337,776
Renovation/improvement of municipal buildings (recreational and administrative)	\$1,312,910
Furniture and office equipment	\$481,404
Replacement of machinery and heavy vehicles	\$353,430
Parks and other green spaces	\$351,618
Vehicle replacement	\$114,530
Setting up two BIXI stations	\$111,990
Replacement of street lighting	\$63,228
Rehabilitation of chlorine booster stations	\$50,000
Replacement of Public Works gasoline tanks	\$27,687
Purchase of electric vehicle charging stations	\$18,722
<b>TOTAL</b>	<b>\$11,665,398</b>

### **Accumulated surplus, financial reserves and reserved funds**

As at December 31, 2019, the accumulated surplus, financial reserves and reserved funds totalled \$39.2 million.

<b>Category</b>	<b>2019</b>
Non-appropriated surplus	\$11,823,844
Appropriated surplus	\$19,615,259
Financial reserves	\$4,387,809
Reserved funds	\$3,382,180
<b>TOTAL</b>	<b>\$39,209,092</b>

### **Debt load**

The long-term debt as at December 31, 2019, totalled \$32.7 million. Investments to be funded at year-end totalled \$4.7 million. Also, the amounts appropriated for repayment of the long-term debt and the unused portion of the contracted long-term debt totalled \$7.1 million. All these items brought the Town's total net debt to \$30.3 million as at December 31, 2019. This debt load corresponds to 0.43% of the standardized property value.

### **Additional considerations**

Beyond the aforementioned, I am especially pleased with the concrete actions taken by our administration and its ambitious commitment to the Town's major projects, in particular the construction of the new sports and community centre.

Notable on the cultural and recreational front were:

- inaugurating a new water playground in Dakin Park, whose conversion allows the hours of use to be extended;
- announcing a new public plaza to be built over the railway in Town centre;
- commissioning a monumental work from modern sculptor Claude Millette. Titled *Éclosion*, the artwork will be erected on the Université de Montréal's MIL campus;
- opening a new dog run in Mohawk Park, meeting a need in the east side of Town.

Accomplishments on the environmental and sustainable development fronts included:

- the arrival of BIXI bike-sharing service in Town of Mount Royal;
- installing two 240V charging stations for electric and hybrid vehicles in the municipal arena parking lot.

The Public Security Department can boast of several accomplishments, including:

- relaunching the Neighbourhood Watch Program;
- implementing the Residential Alarm Response service, allowing Townies whose homes have an alarm system to designate Public Security as a responder for their alarm station;
- implementing an action plan to control traffic speed and volume.

Accomplishments in communications included:

- launching an entirely new newsletter sent twice a month to all subscribers.

Lastly, accomplishments in urban planning and development included:

- holding a public consultation evening on the sports and community centre project;
- organizing discussion groups on the future of the building located at 900 Laird Boulevard.

In addition, throughout the year, the municipal administration closely monitored developments in major projects that involve external partners and have serious impacts on the Town. Be it the Réseau express métropolitain (REM) or the Royalmount development, our administration strived to represent and defend the Town's interests.

### **External auditor's report**

Our financial report was audited by Deloitte S.E.N.C.R.L./s.r.l. The auditor's report contains no reservations and indicates that, in all material respects, the financial results present an accurate picture of Town of Mount Royal's financial position as at December 31, 2019, the results of its activities, the change in its net financial assets (i.e. its net debt) and the cash flows for the fiscal year ended on that date, in conformity with Canadian public sector accounting standards.

### **Conclusion**

Looking back on fiscal 2019, we can once again conclude that the Town's exceptional financial results allow us to maintain course, invest in infrastructure projects and still enjoy appreciable maneuvering room. Our net financial assets (net debt) are positive while our surplus and financial reserves are growing. Meanwhile, overall debt is only 0.43% of the Town's property value. This financial latitude will, among other things, help us attenuate the negative financial impacts of the pandemic, which will become more apparent in the coming months. I can only view our Town's future positively.

Given in Mount Royal, this fifteenth day of June in the year two thousand and twenty.

Philippe Roy  
Mayor