



## HIGHLIGHTS OF THE FINANCIAL REPORT AND THE 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 you with the highlights of the financial report for the fiscal year ended December 31, 2021. This report must be made public at a regular Council meeting held no later than in June and must be made available throughout the Town. Considering that I was elected mayor last November, I am pleased to submit this first financial report to you. I would like to take this opportunity to mention that these 2021 results are the outcome of efforts by the previous administration and I would like to commend them for their foresight and cautious approach to budget management. These efforts have allowed us to begin our term of office on a solid financial basis.

### Overview

The Town of Mount Royal ended its 2021 fiscal year with an operating surplus for fiscal purposes of \$13,373,909 (\$6,833,711 in 2020).

Operating revenues	\$103,593,539
Operating expenses	(\$101,916,722)
Amortization of capital assets	\$5,988,494
Repayment of long-term debt	(\$3,268,548)
Appropriations	\$8,977,146
<hr/> Operating surplus for the year for fiscal purposes	<hr/> \$13,373,909

## Expenses and revenues

The \$13,373,909 surplus is attributable to higher revenues combined with savings in operating expenses, compared with the 2021 budget.

Overall, operating revenues totalled \$103.6 million, \$6.8 (7%) more than the 2021 budget. This positive difference is largely due to additional revenues generated by taxation due to higher property values following building modifications, particularly in the non-residential sector, real estate transfer taxes and the issuing of construction permits in the commercial-industrial sector. However, revenues generated from recreational and cultural activities were less than budgeted following the cancellation of many activities and courses due to the pandemic. Finally, interest income was lower due to low market interest rates.

The main factors explaining the differences are:

- Tax revenues \$3.1 million higher due to changes in assessment following renovations, new housing units, reversal of provisions for property tax disputes and water rates;
- Real estate transfer tax revenues totaling \$8.9 million, resulting in a \$2.9 million favorable variance from the 2021 budget. This positive variance is due to a dynamic real estate market with impressive price increases for single-family homes;
- Revenue from construction permits totaling \$2.5M, with a favorable variance of \$1.6M, due in particular to the issuance of permits for major projects in the commercial-industrial sector;

The Town's operating expenses, less than budgeted, were another significant factor contributing to the positive result in 2021. Specifically, operating expenses before amortization totalled \$95.9 million, \$6.8 million (6.7%) less than the 2021 budget forecast. The main favourable differences include, but are not limited to, overall payroll, debt servicing, the reversal of provisions, recreational and cultural activities, snow removal operations, road maintenance, water and sewer maintenance, limited use of external technical and professional services, and municipal building maintenance. In addition, the continuing impact of the pandemic, reduced certain operating expenses, due in particular to the fewer number of courses offered and the lower building operating costs.

The main factors explaining the differences are:

- A savings of \$1.9 million realized in total compensation, benefits and payroll taxes;
- Excess funds of \$0.5M were released from debt service;
- Savings of \$0.5M realized in water supply and sewer maintenance expenses;
- Savings of \$0.5 million realized in snow removal operations, notably in equipment rental expenses, the purchase of abrasives, external services and vehicle maintenance;

- The cancellation of several community and recreation activities and events, as well as the closure of recreational, sports and cultural facilities, resulted in a reduction of \$0.5M in expenses related to these cancelled activities;
- Building maintenance expenses resulting in a savings of \$0.3M;
- Savings of \$0.3M realized in parks and urban forest maintenance operations;
- Limited use of external professional services in the areas of urban planning, engineering, translation, legal, information technology and technical services, resulting in a savings of \$0.3M;
- A favorable variance of \$0.3M realized on the reimbursement of interest on property taxes.

## Infrastructures

In 2021, the municipal administration invested \$21.2 million in Town infrastructures.

<b>Category</b>	<b>2021</b>
Construction of a dale park between Cornwall Bridge and Graham/Laird Bridge	\$6,824,188
Water main rehabilitation	\$4,747,514
Reconstruction, repair and resurfacing of streets and sidewalks	\$3,726,317
Greening of the Bates-Ekers area	\$2,234,101
Sewer rehabilitation	\$1,219,246
Upgrading and replacement of park and playground equipment	\$647,675
Replacement of machinery and heavy vehicles	\$620,937
Renovation/improvement of municipal buildings (recreational and administrative)	\$305,775
Vehicle replacement	\$234,523
Replacement of street lighting	\$189,375
Computer equipment	\$124,195
Partial preparation of plans and specifications for the new sports and community centre	\$84,443
Russell Bridge Rehabilitation	\$59,936
BIXI station set up	\$54,837
Development of the dale park between Cornwall Bridge and Graham/Laird Bridge	\$37,796
Installation of underground parking lot security system	\$37,390
Purchase of electric charging stations	\$11,804
Installation of flashing light	\$9,787
Installation of wrought iron fence on Chemin Rockland	\$4,147
<b>TOTAL</b>	<b>\$21,173,986</b>

The municipality also received an underground parking lot via a fair value donation set at \$10,013,415. This donation was made free of charge and at no expense to the Town. This project was made possible by the Rossy Foundation which, through its colossal community contribution, will benefit members of the Mount Royal community by facilitating access to municipal recreational activities and facilities by as many people as possible. I take this opportunity once again to thank them for their generosity.

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

As at December 31, 2021, the accumulated surplus, financial reserves and reserved funds totalled \$40.8 million.

<b>Category</b>	<b>2021</b>
Non-appropriated surplus	\$8,224,875
Appropriated surplus	\$27,058,538
Financial reserves	\$3,426,486
Reserved funds	\$2,122,062
<b>TOTAL</b>	<b>\$40,831,961</b>

### **Debt load**

The long-term debt as at December 31, 2021, totalled \$37.1 million. Investments to be funded at year-end totalled \$14.3 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 long-term debt to \$44.3 million as at December 31, 2021. This debt load corresponds to 0.49% of the standardized property value.

### **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, 2021, 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.

## **Additional considerations**

Beyond the aforementioned, concrete actions were taken in 2021.

Notable on the cultural and recreational front were:

- Inaugurating a new play area at Hamilton Park and a new water playground in Mohawk Park;
- A construction contract was awarded for a new, modern skate park comprising concrete obstacles and adapted to skateboarding, BMX and mountain biking users;
- The reinstallation of fitness structures in Danyluk Park on the edge of the track, making them once again available to the public;
- Santa's spectacular entrance to the garden city in December 2021. Santa's fully decorated bus drove through the streets of the Town to the sound of Christmas music, creating a festive atmosphere that delighted young and old alike;

Accomplishments on the environmental and sustainable development fronts included:

- Implementation of phase 3 of the Bixi network within the municipality, with the addition of a new Bixi station on the west side of the town;
- The pilot installation of three-way garbage bins in some of Mount Royal's most popular parks. Three-way bins immediately sort recyclable materials, organics for composting and trash using three receptacles;
- The Blue Patrol, active since May 2021, offers residents concrete ways to promote the responsible use of drinking water;
- The adoption of the Town's 1st Urban Agriculture Policy;
- The installation of recycling boxes for disposable face masks in all municipal buildings;
- Adoption of the 4th sustainable development plan, comprising an ambitious set of guidelines, objectives and actions of benefit to the environment.

Notable accomplishments by the Public Security Department include:

- The use of a second trailer-mounted radar road speed display device and traffic data collector/volume counter;
- Roll-out of a road safety campaign specifically aimed at residents of Mount Royal. Ten different poster designs were installed along the boulevards on the theme: "On our streets we look after those we love";
- A bicycle marking service (etching) to prevent bicycle theft and facilitate searches in the event of theft;
- Addition of permanent elongated speed bumps on various streets to better control speed and improve safety;
- Addition of an elevated pedestrian crosswalk with improved signage at the intersection of Plymouth and Eden;

- The inclusion of public safety officers as municipal staff members. Public safety employees were previously hired under renewable contracts through security agencies.

Accomplishments in urban planning and development include:

- Dissemination of the results of various surveys relating to the consultation about possible inclusion of a residential component in the Royalmount project;
- The organization of a public consultation on the development of the future Square Station;
- The relaunch of the “IN TMR, we buy local!” campaign, in support of local businesses and organizations, particularly those on the front lines most affected by the pandemic and the REM project.
- The municipality’s pride in three Town of Mount Royal companies that won awards at the Gala Alpha, organized by the Chamber of Commerce and Industry of Saint Laurent - Mount Royal. Winners are: o2 Coaching, winner in the “Business and Personal Services – Less than 10 Employees” category, Torani and Haddad SpecPharma, winner in the “Professionals (Professionals and Finance)” category and Hart Print, winner in the “Consumer Packaged Goods” category.

Community event highlights include:

- The launch of work on the "Royal Garden" park in the Bates/Ekers sector;
- Installation of a modern lighting system for the town hall façade to highlight community and civic festivals in colour.

## **Conclusion**

Looking back on the 2021 fiscal year, the Town’s financial results are positive. The surplus generated gives us more flexibility and room to manoeuvre when it comes to projects important to Townies, including the *Quartier sportif et communautaire* sports and community project. A bright future is on the horizon and the figures in this report confirm the tremendous possibilities open to members of our community. Every week, your councillors and I meet and interact with residents of Mount Royal. We hear your needs and ambitions and I can assure you that we are making every effort to keep your interests at the centre of our concerns and reflect them in our budget decisions and management.

Given in Mount Royal, this seventeenth day of May two thousand and twenty-two.

Mayor,  
Peter J. Malouf