



## FINANCIAL RESULT AS AT DECEMBER 31, 2016

Town of Mount Royal ended its 2016 fiscal year with a budget surplus of \$7,870,446. The highlights are as follows:

Operating revenues	86,715,492 \$
Operating expenses	(82,474,782 \$)
Amortization of capital assets	4,920,139 \$
Proceeds on disposal	11,130 \$
Loss on disposal	61,593 \$
Repayment of long-term debt	(2,093,840 \$)
Appropriations	730,714 \$
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Operating surplus for the year for tax purposes	7,870,446 \$

This surplus of \$7,870,446 is attributable to superior revenues combined with savings on operating expenses in comparison to the 2016 budget, adopted by the City Council in December 2015.

Overall, the operating income is at \$86.7 million, up by \$2.6 million compared to the 2016 budget. This favourable variance can largely be explained by the additional revenue generated by property transfer taxes, the taxation of new housing units or the change in property values, the issuing of construction permits and water billing.

Registration for certain recreational and cultural activities, however, have been lower than the budget forecast due to, among others, registration for adult art courses and certain youth activities. Moreover, the organized travel program for senior citizens was not as popular as hoped, so revenue has been lower.

Lastly, another significant factor contributing to the positive result for 2016 was that Operating expenses and financing were at \$79.6 million, a \$5.2 million drop compared to the 2016 budget forecast.

The main factors explaining the differences are:

- Savings of \$1.6 million was achieved on total compensation, mandatory employer costs and employee benefits, especially due to positions that were vacant or filled after a certain amount of time, less overtime, restricted use of temporary employees and expenses related to the employee pension plan, as well as expenses associated with occupational health and safety, that were all lower than forecast;
- Interest charges and contingencies were lower by \$0.5 million;
- Fees related to the building maintenance, municipal roads and the sewer system have brought about savings of \$0.5 million;
- Savings of \$0.4 million have been achieved on the maintenance of trees and parks;
- Favourable winter conditions have saved \$0.4 million with regard to snow removal operations, equipment rental, the purchase of abrasives, external services and vehicle maintenance;
- Surplus funds of \$0.3 million have been achieved from debt servicing;
- Restricted use of external professional services in the fields of urban planning, engineering, translation and legal services, computer and technical services, has saved \$0.3 million;
- \$0.2 million in savings was achieved on expenses pertaining to water supply and sewer system and aqueduct maintenance;
- Collection and transportation of recyclable, organic and dry materials have generated a positive variance of \$0.2 million;
- \$0.2 million have been saved on fleet maintenance, in particular relating to the purchase price of fuel;
- Savings of \$0.2 million were made on the purchase of equipment and materiel for the water distribution network, notably for the purchase of water meters for new property developments;
- Operating charges for recreational and cultural activities have decreased by \$0.2 million.

Moreover, in 2016, the municipal administration invested \$11.9 million in Town's infrastructures, compared with \$4.8 million in 2015. The two (2) largest construction sites were the repaving of the Rockland overpass and the walkway of the Isabey-Darnley overpass.

Details of the largest projects are provided in the following table:

<b>Category</b>	<b>2016</b>	<b>2015</b>
Sidewalk and road work	\$1,516,272	\$1,971,392
Repair of the overpass and pedestrian overpass	\$7,160,014	\$241,997
Sewers and water mains	\$0	\$45,864
Other infrastructures, traffic lights, traffic signs, street lighting, etc.	\$169,408	\$175,611
Parks and green spaces	\$212,083	\$231,485
Replacement of machinery and heavy vehicles	\$950,967	\$1,047,613
Vehicle replacement	\$122,603	\$92,314
Municipal building renovations and improvements	\$1,605,684	\$768,799
Furniture and office equipment	\$185,096	\$220,111
Other	\$1,932	\$44,991
<b>TOTAL</b>	<b>\$11,924,059</b>	<b>\$4,840,177</b>

As at December 31, 2016, the accumulated surplus, financial reserves and reserved funds totalled \$29.1 million, compared with \$24.9 million in 2015. These are broken down as follows:

<b>Catégorie</b>	<b>2016</b>	<b>2015</b>
Non-appropriated surplus	\$8,410,865	\$8,830,138
Appropriated surplus	\$14,231,373	\$12,063,257
Financial reserves	\$4,992,745	\$2,062,241
Reserved funds	\$1,512,141	\$1,968,863
<b>TOTAL</b>	<b>\$29,147,124</b>	<b>\$24,924,499</b>

Lastly, the long-term debt at December 31, 2016, totalled \$26.0 million, compared with \$24.9 million for the preceding fiscal year. Investments to be funded at year-end totalled \$9.9 million. Also, the amounts appropriated for repayment of the long-term debt and the unused portion of the contracted long-term debt totalled \$6.4 million. All these items brought the Town's total net long-term debt to \$29.5 million as at December 31, 2016 (\$26.9 million in 2015).

This debt load corresponds to 0.46% of the standardized property value at September 16, 2016.

<b>Catégorie</b>	<b>2016</b>	<b>2015</b>
Long-term debt	\$25,965,700	\$24,867,600
Investment activities to be funded	\$9,953,337	\$5,553,174
Financial reserve for repayment of the long-term debt	(\$4,237,725)	(\$1,273,970)
Debt payment grants to be received	(\$2,052,753)	(\$2,146,873)
Unused portion of contracted long-term debts	(\$76,357)	(\$16,748)
Other	(\$50,753)	(\$34,695)
The Town's long-term debt	<b>\$29,501,449</b>	<b>\$26,948,488</b>

In conclusion, we are pleased with the positive results of the 2016 financial year. The operating surplus achieved in 2016 will be reinvested in our municipality and will enable us to finance large-scale projects, continue strengthening our financial strategy and maintain flexibility in the case of an unforeseen event.

John Miller  
Councillor