



## HIGHLIGHTS OF THE FINANCIAL REPORT AND EXTERNAL AUDITORS 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, 2022. 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 2022 fiscal year with an operating surplus for fiscal purposes of \$6,437,318 (\$13,373,909 in 2021).

Operating revenues	\$107,655,995
Operating expenses	\$(113,198,380)
Amortization of capital assets	\$6,846,020
Repayment of long-term debt	\$(2,879,653)
Appropriations	\$8,013,336
<hr/>	
Operating surplus for the year for fiscal purposes	\$6,437,318

### Revenues and expenses

The \$6,437,318 surplus over the fiscal 2022 budget is attributable to higher revenues and to cost savings at the operating expenses level.

Overall, the Town's operating revenues totalled \$107.7 million, which is \$0.4 million higher than in the 2022 budget. This positive difference is largely due to the additional revenue generated by real estate transfer taxes, by taxation related to the increase in property values following alterations made to buildings and by interest income. On the other hand, revenues from recreational and cultural activities and the issuing of construction permits was less than budgeted.

The main differences are explained by the following factors:

- The revenue generated by real estate transfer taxes totalled \$9 million, which is \$1.8 million more than in the 2022 budget. The positive difference is due to the dynamic real estate market with its large number of transactions and price increases for single-family dwellings;
- Tax revenues that were \$0.6 million higher due primarily to changed property values following renovations, new dwelling units and water billing;
- Interest income that was \$0.5 million higher due to higher interest rates;
- The revenues from recreational, sports and cultural activities were down \$0.7 million due to the pandemic's lingering impact in 2022.
- Construction permit revenue was \$0.5 million less than budgeted because some permits for a major project in the commercial-industrial sector have not yet been issued.

Lower than forecast, the Town's operating expenses were another significant factor contributing to the positive result for 2022. Operating expenses before amortization were \$106.4 million, \$6.5 million (5.8%) less than the 2022 budget forecast. The main reasons for this positive difference include overall compensation, the limited use of external technical and professional services and the reduced spending on recreational and cultural activities.

More specifically:

- A \$2.3 million savings on overall compensation, mandatory employer costs and employee benefits;
- The reduction in events and in registrations for recreational, sports and cultural activities, resulting in a \$0.4 million reduction in spending for these activities, due mainly to the impact of the pandemic;
- The limited use of external professional and technical services in urban planning, engineering, translation and legal, technical and information systems services led to a \$1.0 million savings.

## Infrastructures

In 2022, the municipal administration invested \$8.4 million in Town infrastructures.

<b>Category</b>	<b>2022</b>
Reconstruction, repair and resurfacing of streets and sidewalks	\$4,048,773
Upgrading and replacement of park furnishings and playground equipment	\$1,281,163
Replacement of machinery and heavy vehicles	\$1,038,986
Replacement of street lighting	\$660,512
Renovation/improvement of municipal buildings	\$486,683
IT hardware	\$323,348
Sewer and water main rehabilitation	\$191,208
Reconstruction/repair of the Russell footbridge	\$134,614
Construction of a slab between Cornwall and Graham/Laird bridges	\$76,692
Greening of the Bates-Ekers neighbourhood	\$60,938
Security system for the indoor parking facility	\$51,545
Other	\$10,605
<b>TOTAL</b>	<b>\$8,364,527</b>

## Accumulated surplus, financial reserves and reserved funds

As at December 31, 2022, the accumulated surplus, financial reserves and reserved funds totalled \$38.2 million.

<b>Category</b>	<b>2022</b>
Non-appropriated surplus	\$6,683,007
Appropriated surplus	\$25,030,415
Financial reserves	\$3,587,032
Reserved funds	\$2,875,943
<b>TOTAL</b>	<b>\$38,176,397</b>

## Debt load

The long-term debt as at December 31, 2022, was \$47.7 million. Investments to be funded at year-end amounted to \$8.8 million. Also, the sums appropriated for repayment of the long-term debt and the unused portion of the contracted long-term debt totalled \$7.8 million. All these items brought

the Town's total net debt to \$48.7 million as at December 31, 2022. This debt load corresponds to 0.48% of the standardized property value.

### **Independent auditor's report**

Our financial report was audited by Deloitte S.E.N.C.R.L./s.r.l. The Independent 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, 2022, 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 fiscal 2022.

Notable on the cultural and recreational front were:

- The official inauguration of the Danyluk Park skateboard park;
- Installing, in Jean-J.-et-Marc-Thibodeau Park, playground equipment that lets kids have fun while improving on their agility;
- BiblioQUALITÉ's awarding of a perfect 100% score to the Reginald J. P. Dawson Library for the investments made and the quality of the facility.

Accomplishments on the environmental and sustainable development fronts included:

- The presence of the Green Patrol at the summer market and street food activity, where they handed out information on environment-related topics;
- The holding of two urban farming workshops with horticulturalist, biologist and Townie Albert Mondor.

In the area of public security and road safety, we note:

- The reconfiguring of the intersections around Dakin Park;
- Providing a bike identification service (etching) to help prevent bicycle theft and facilitate searches in the event of theft;
- The swearing-in of 25 agents who have been added to the Town's regular personnel and to Public Security's various surveillance and prevention operations around Town;
- The launch of an online module from ICO Technologies that residents can use to obtain a temporary overnight parking permit.

Accomplishments in urban planning and development included:

- The Town's pride at the six Town of Mount Royal companies that were recognized by the Grand Jury of the prestigious Alpha Gala of the Chamber of Commerce and Industry of

Saint-Laurent–Mount Royal for their achievements and contribution. We make special note of Ultra Electronics, a TMR-based company which received two awards, including Company of the Year.

In communications:

- Implementation of Bciti+, a new platform for better informing residents and improving citizens' experience and quality of life. The free, scalable app provides access to Town news, municipal building schedules and other regularly searched-for information.

As for community life, we note:

- The opening of the new underground parking facility next to Town Hall;
- The celebration of Town of Mount Royal's 110th anniversary, with winter fireworks and several festive activities.

## **Conclusion**

In closing, we are satisfied with the excellent financial results obtained in fiscal 2022. We want to assure you that we will redouble our efforts to continue soundly managing public funds in the best interests of all Townies, while maintaining quality services and implementing projects and activities that meet taxpayers' expectations.

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

Peter J. Malouf  
Mayor