



2018 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, 2018.

2018 Year-End Results

The City's 2018 total operating budget was \$107.7 million¹. Total revenues last year reached \$113.3 million, and operational expenditures amounted to \$110.9 million resulting in a \$2.4 million in operating surplus. Globally this positive result was owing to higher revenues combined with savings in expenditures.

Higher revenues were largely due to additional revenues of \$2.6 million generated by duties on transfers, \$888k from insurance claims settlements, \$503k from higher government transfer payments, \$225k higher recreational and library revenues and a \$458k from additional interest income.

Globally the local operating expenditures before appropriation were less than budgeted in 2018 by \$2.3 million which is another factor that contributed to the positive result. The main factors explaining this positive difference include lower tree maintenance operations (\$217k), repair and maintenance on buildings (\$148k) and on sewers (\$103k). The legal fees and insurance premiums were also lower than budgeted by \$196k.

The total Pay-as-you-go expenditures were less than budgeted by \$849k. This was mainly due to a delay in the City Hall Exterior restoration project partly offset by an increased in the investment in the roads and Hydro Westmount networks. In addition, the delay of Urban Planning projects contributed to the cost savings for \$351k.

On the other hand, the snow removal operations cost were higher in 2018 compared to budget by \$186k mainly due to the higher cost for salt and for the snow dumping operations.

¹ Net of Hydro Westmount



Capital Expenses

In 2018, the municipal administration invested

| Category (MAMH) | 2018 |
|---|-------------------|
| Sewer and water main rehabilitation | 2,389,205 |
| Reconstruction, repair and resurfacing of streets and sidewalks | 5,964,216 |
| Renovation/improvement of municipal buildings | 1,464,528 |
| Repaving of parking lots | 17,637 |
| Furniture and office equipment | 744,617 |
| Parks and other green spaces | 362,359 |
| Other infrastructures | 14,357 |
| Replacement of machinery and vehicles | 1,197,424 |
| Tools and equipment | 32,000 |
| Electrical network | 2,637,512 |
| TOTAL | 14,823,855 |

Accumulated Surplus; Appropriated and Unappropriated

As at December 31st 2018, the total accumulated surplus totalled a sum of \$28,990,433 for which 90% has been appropriated to various projects

| Category (MAMH) | 2018 |
|------------------------|-------------------|
| Unappropriated Surplus | 2,906,878 |
| Appropriated Surplus | 26,083,555 |
| TOTAL | 28,990,433 |

Debt

As of December 31st, 2018, Westmount's outstanding debt was \$15.4 million. Of this amount, \$8.5 million will be assumed by the City and \$6.9 million by the Quebec Government that pays its grants over 10 to 20 years. The Westmount Recreation Centre (WRC) portion of the \$8.5 million municipal debt will amount to \$4.1 million. The City intends to appropriate enough accumulated surplus to pay off the entire amount of debt as it comes due.



External Auditor's Report

Our financial report for the 2018 financial year was audited by the firm Raymond Chabot Grant Thornton. The auditors gave a clear opinion meaning there is no reservation and that, in all material respects, the financial results present an accurate picture of the City of Westmount's financial position as at December 31, 2018.

Conclusion

Looking back on the past year, we can once again conclude that the City remains in enviable financial health. Our City has been in a net financial assets position, meaning that our financial assets are high enough to cover our future financial obligations. We are continuing to invest in our infrastructures around the City and this without increasing our current debt which has been shrinking.