

HIGHLIGHTS

Annual Financial Accountability Report
Financial Results for the Fiscal Year Ended
December 31, 2017

2017

Montréal 

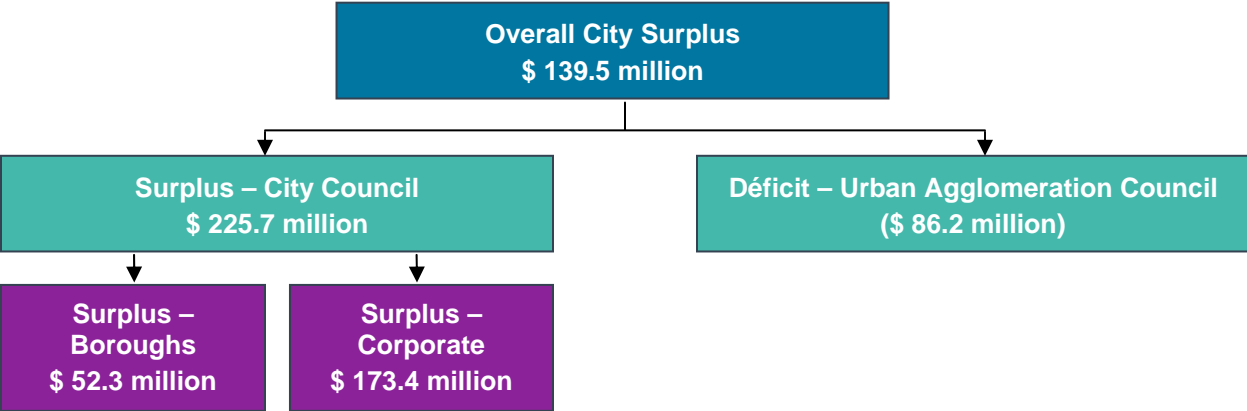
Primary objectives of financial reporting

- Demonstrate a commitment to transparent, accessible financial information.
- Develop a management and teaching tool.
- Provide more detailed financial management information than appears in the annual financial report.
- Highlight Montréal’s developing financial trends.

Operating activities

For fiscal 2017, Ville de Montréal, excluding the other organizations within its reporting entity¹, generated a total surplus of \$139.5 million (\$139.1 million in 2016), which represents 2.6% of total revenues (2.8% in 2016). The \$139.5 million surplus breaks down as follows:

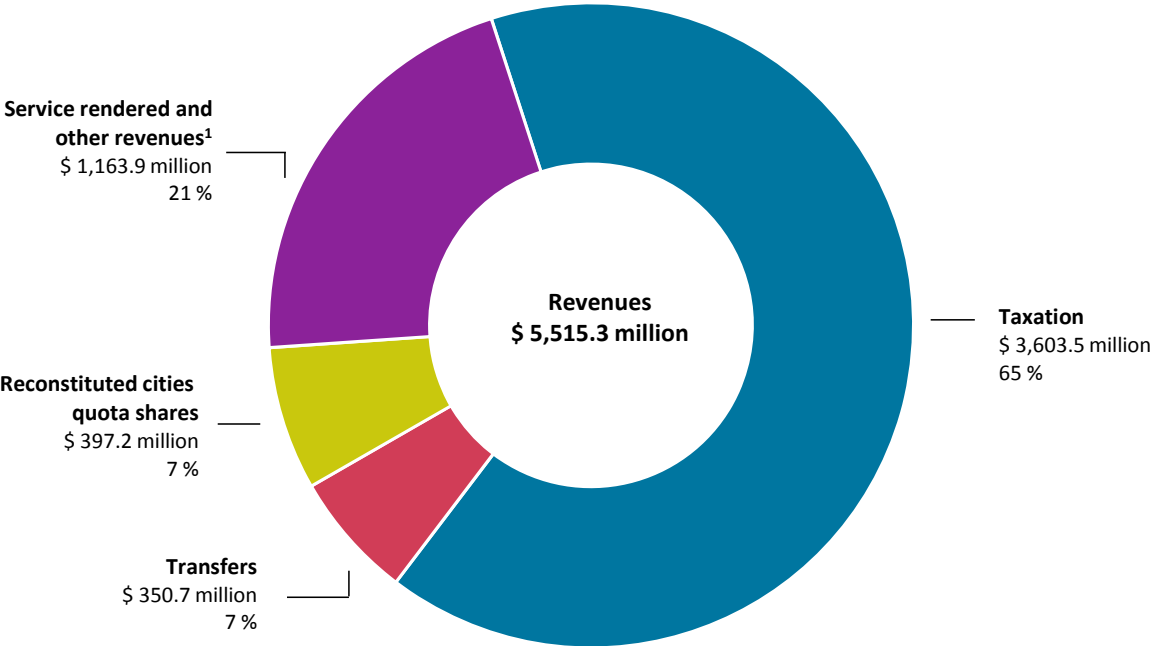
Breakdown of total surplus in 2017



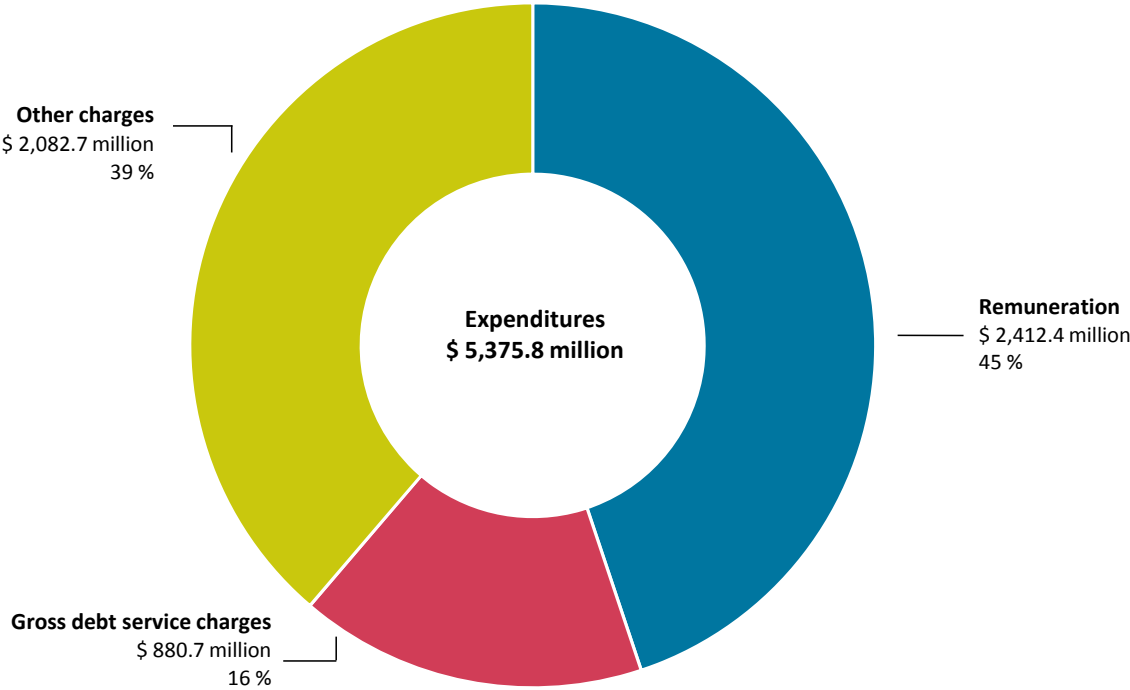
1. The reporting entity represents the following organizations: The Société de transport de Montréal (the STM), the Société d’habitation et de développement de Montréal (SHDM), the Technoparc Montréal, the Société du parc Jean-Drapeau, the Conseil des arts de Montréal, the Conseil interculturel de Montréal, the Office de consultation publique de Montréal, Anjou 80, the Société en commandite Stationnement de Montréal, the Bureau du taxi de Montréal and BIXI Montréal.

Source of revenues and expenditures

Total revenues\$ 5,515.3 million



Total operating expenditures.....\$ 5,375.8 million



Surplus of the year..... \$ 139.5 million

1. Including revenue allocation of \$ 223.1 million.

Analysis of 2017 results :

Listed below are the key factors that helped generate the \$139.5 million surplus:

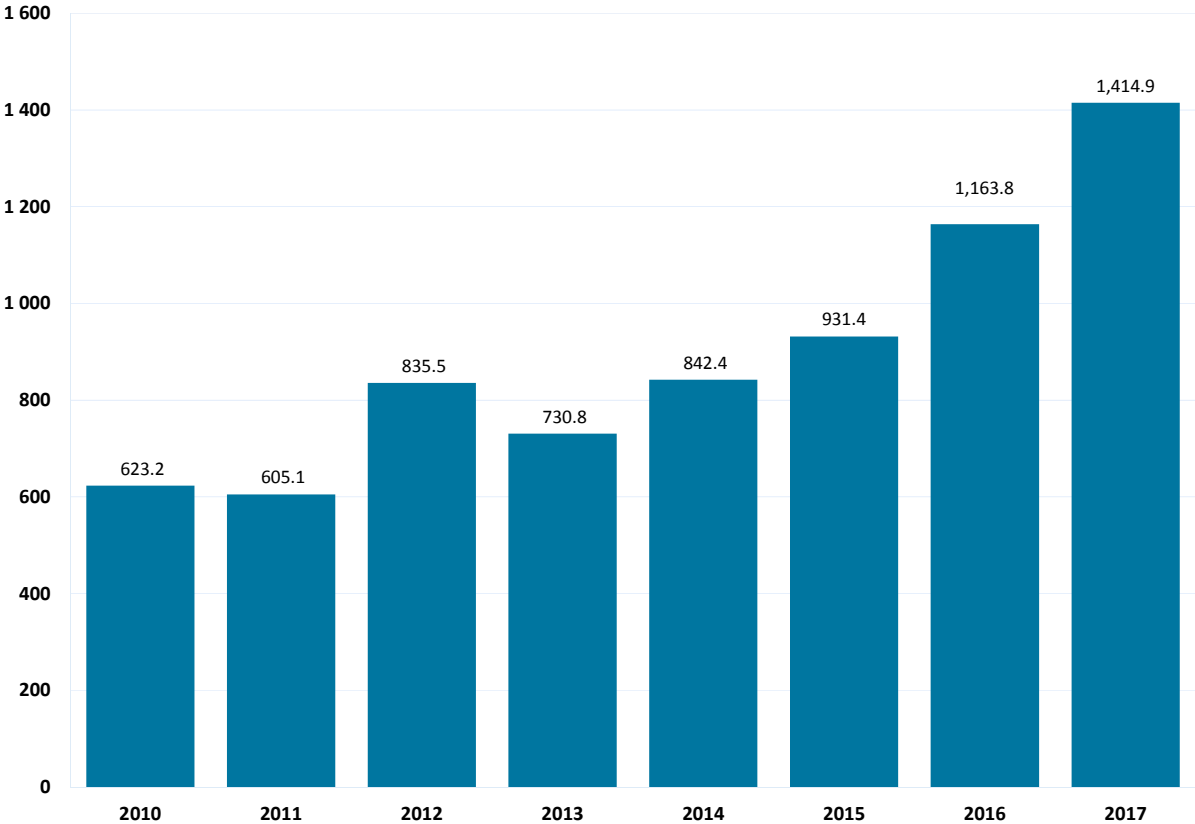
- A \$313.6 million increase in revenues, including:
 - An increase of \$188.6 million from government transfers (\$105.4 million), property transfers (\$58.5 million), and licences and permits (\$25.6 million);
 - Use of restricted revenues (allocation of revenues) in an amount of \$125.0 million, coming mainly from certain relief measures for \$36.6 million (retirement plans for \$26.7 million and the application of the QST plan for \$9.9 million), prior year accumulated surpluses for \$45.2 million, and long-term financing for \$39.9 million reflecting the decision to finance certain operating expenditures through borrowing;
- A \$173.6 million increase in operating expenditures from centralized services and boroughs, mainly from:
 - Remuneration and employer contributions (\$113.1 million);
 - Contributions to organizations (\$83.4 million).

Capital asset activities

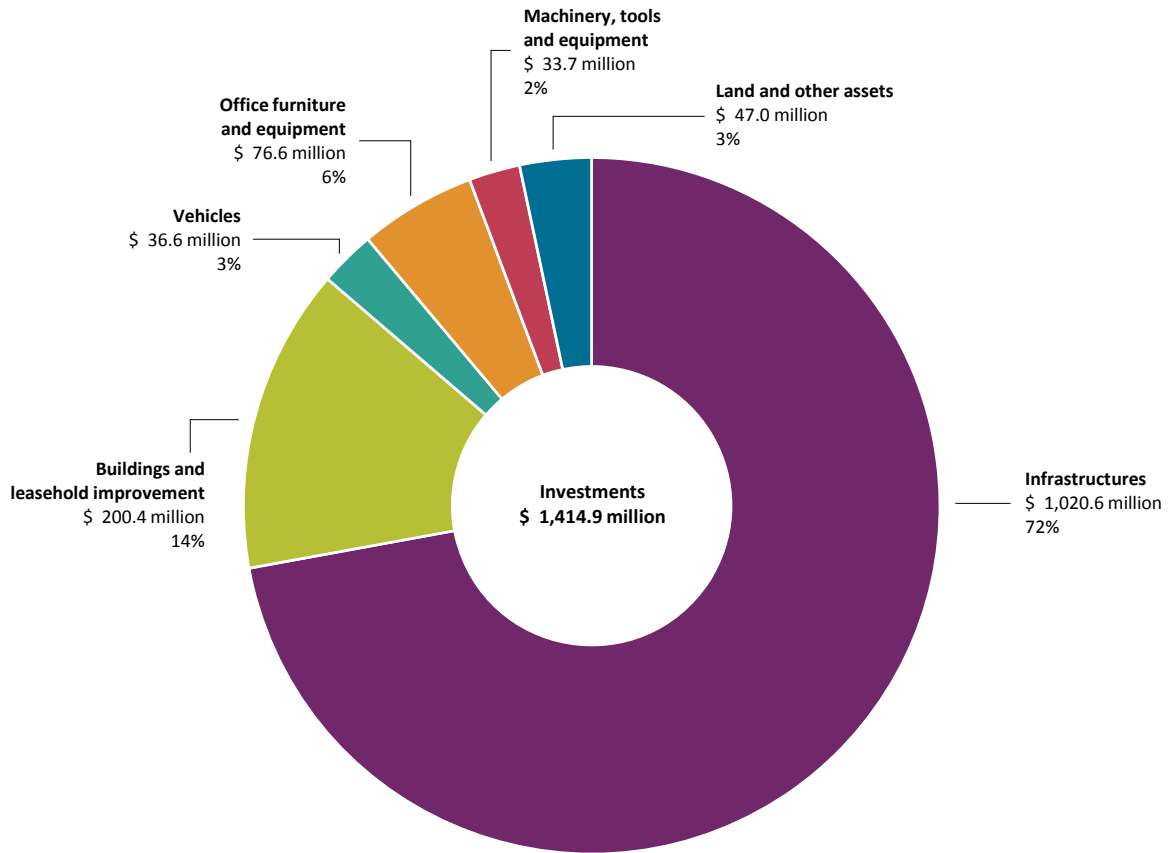
Capital asset activities were carried out in accordance with the 2017-2019 budget and general directions:

- A greater amount invested under the 2015-2024 Montréal Capital Investment Program (MCIP), i.e., \$1,414.9 million invested throughout Montréal’s territory, a \$251.1 million (21.6%) increase compared to \$1,163.8 million invested in 2016;
- Since the MCIP took effect, a 93.6% increase in the value of investments over a four-year period, i.e., \$1,414.9 million in 2017 compared to \$730.8 million in 2013;
- The debt ratio was kept below the established threshold of 100 % of city revenues, i.e., 89% in 2017 (91% in 2016), in accordance with the debt management policy;
- Mandatory payment of \$377.3 million (\$311.5 million in 2016) for capital assets, which is 26.7% (26.8% in 2016) of investments carried out.

Annual capital asset activities, from 2010 to 2017
(In million of \$)

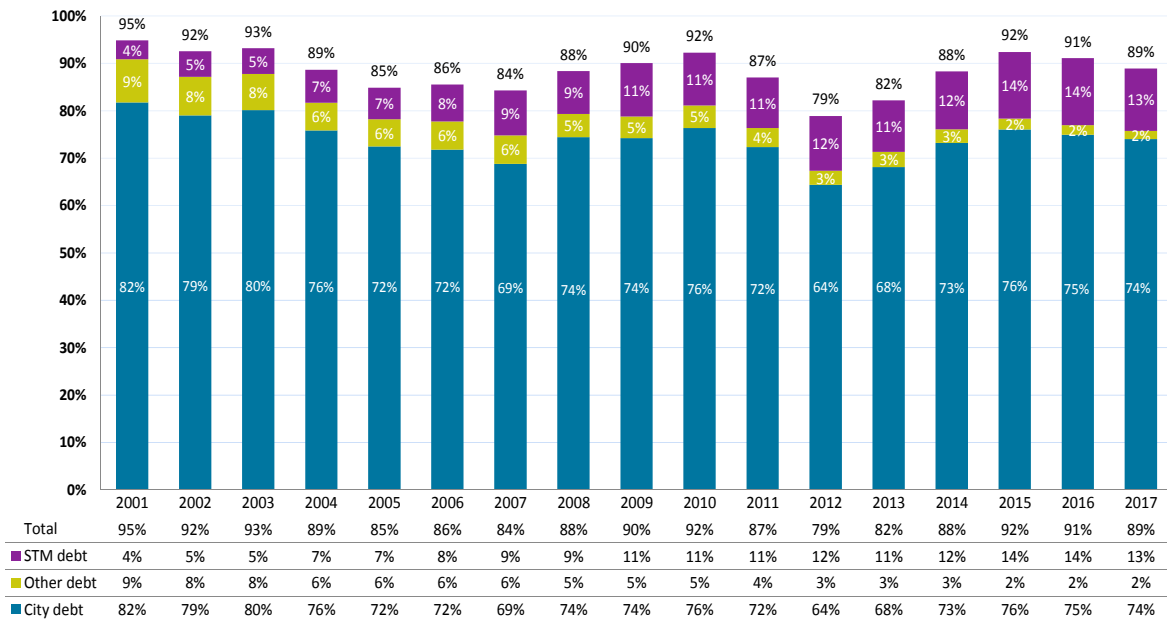


Breakdown of 2017 activities, by asset category



Net direct and indirect debt (excluding initial actuarial debt), as a percentage of city revenues, 2001 to 2017

Debt management policy : maximum ratio of 100 %



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