



Stanstead Township, August 4 2020

Mayor's Report on Financial Report Highlights

As required by the Quebec Municipal Code, article 177.2.2, the Mayor reports on the Municipality's financial situation, notably concerning the highlights of the external auditor's 2019 financial report, namely :

- Total revenues: \$3,887,094 (\$3,357,695 in 2018)
- Total expenses: \$3,557,658 (\$3,344,474 in 2018)

The largest budget-to-revenue gaps are:

- o Transfer taxes: \$446,000, so \$296,000 over budget
- o Grants :
 - FDT and Recreation Grant: + \$40,000
 - Fire Training Grant: - \$20,000
 - PADEM grant: - \$45,000(However, long-term debt repayments were also lower by the same amount).
- o Interest income: \$33,000 over budget
- o Gain on disposal of capital assets to the Régie d'incendie for an amount of \$178,635 which is non-recurring.

The most significant budget variances in expenditures are:

- General administration: \$49,000 more than the budget, mainly in the remuneration of elected officials and certain works regarding the town hall.
- Public Security: \$60,000 less than the budget, including \$35,000 at the Fire Safety for items now assumed by the Régie and a deferral of certain expenses in Civil Security for approximately \$15,000.
- Planning and Urban Development: savings of \$48,000 in uncompleted or deferred projects such as legal services and technical consultations
- Unbudgeted amortization expense of approximately \$175,000

The municipality ended 2019 with an operating surplus for the year for tax purposes of \$735,273 which is essentially explained by the above-mentioned items as well as the proceeds from the transfer of capital assets of equipment to the Régie d'incendie for an amount of \$511,189.

Acquisitions during the year consisted mainly of sports furniture at Thayer Park for approximately \$22,000 and outstanding costs of approximately \$71,000 for the Panorama Trail project.

In total, the municipality has an unrestricted operating surplus of \$1,395,286, a restricted operating surplus of \$261,787 and financial reserves and reserved funds of \$387,471.

In terms of liquid assets, the municipality held \$1,416,297 in cash and term deposits at the end of the fiscal year, of which a portion of \$411,422 is for working capital. This will make it possible to meet the municipality's financial obligations, whether it be for accounts payable of \$97,771 or indebtedness of \$272,992.

With regard to debt, it should be noted that a large proportion of it is assumed by government grants or subsequent taxes for certain taxpayers (septic tank program). This brings the net debt to \$47,007 which is marginal compared to a uniform property wealth of approximately \$600 million.

In brief, the municipality enjoys a good financial health that allows it to maintain a quality service and a reasonable tax rate. It also allows it to have a certain cushion and financial leverage for future projects.