

Mayor's report on the Financial Situation

November 11th, 2015

Fellow citizens,

This being the last council meeting before presenting the budget, here is the report on the Municipality's financial situation in accordance to the provisions of the *Code municipal du Québec*.

I invite you to consult www.morinheights.com to find all documents pertaining to finances submitted to the *ministère des Affaires municipales et de l'Occupation du territoire*.

The financial report for the year ending December 31st, 2014, prepared by the auditor Richard Deslauriers, c.a., reports a surplus of \$ 259,815, on a budget of \$ 8 317,067. This surplus stems mostly from the increase in property values and property real estate transactions.

The accumulated surplus represents taxpayers' holdings. This year, the Municipality's worth has increased by \$ 706,685 to reach \$ 18 114,499. Throughout 2014, the Municipality has undertaken infrastructure work totalling \$ 3 344,205.

Management indicators which complete the financial report were presented last May and confirm the Municipality's excellent financial health and the efficiency of our services.

Financial situation to December 31st, 2014					
Page 13	2014	2013	2012	2011	2010
Financial assets	\$ 2 605,749	\$ 2 768,065	\$ 3 227,997	\$ 2 909,834	\$ 2 398,729
Liabilities	\$ 3 537,002	\$ 1 331,409	\$ 3 380,031	\$ 1 809,752	\$ 661,330
Debt	\$ 7 278,172	\$ 8 046,916	\$ 6 298,555	\$ 6 057,995	\$ 6 648,824
Net debt	(\$ 8 209,425)	(\$ 6 610,260)	(\$ 6 450,589)	(\$ 4 957,913)	(\$ 4 911,425)
Non financial assets	\$ 26 323,924	\$ 24 017,774	\$ 23 009,100	\$ 20 693,956	\$ 19 856,219
Net accumulated surplus	<u>\$ 18 114,499</u>	\$ 17 407,514	\$ 16 558,511	\$ 15 736,043	\$ 14 944,794

Net financial value					
See page 15-7	2014	2013	2012	2011	2010
Fixed assets costs	\$ 34 068,128	\$ 30 980,441	\$ 29 140,256	\$ 26 087,25	\$ 24 395,957
Accumulated depreciation	(\$ 7 921,862)	(\$ 7 119,400)	(\$ 6 278,980)	(\$ 5 561,070)	(\$ 4 727,240)
Net book value	<u>\$ 26 146,266</u>	\$ 23 861,401	\$ 22 861,276	\$ 20 526,185	\$ 19 668,717

Debt analysis page 37		DECEMBER 31ST, 2014
Debt by sectors		\$ 3 014,106
Total debt		\$ 3 526,142
Debt paid by the Quebec Government		\$ 779,475
Long tem debt		<u>\$ 7 319,723</u>

Financial results statement	RESULTS 2014	BUDGET 2014	RESULTS 2013	BUDGET 2013	RESULTS 2012
Pages 7-8					
Operating revenues	\$ 8 455,164	\$ 8 317,067	\$ 8 236,405	\$ 7 891,121	\$ 7 720,457
Investment activities	\$ 183,627	\$ 0	\$ 600,137	\$ 0	\$ 605,434
Charges (operating expenses with amortization)	(\$ 7 931,806)	(\$ 8 572,280)	(\$ 8 007,881)	(\$ 8 011,248)	(\$ 7 503,391)
Surplus	\$ 706,985	(\$ 255,213)	\$ 828,661	(\$ 120,127)	\$ 822,500
Minus investment income	(\$ 183,627)	\$ 0	(\$ 600,137)	\$ 0	(\$ 605,434)
Fixed assets	\$ 1 059,340	\$ 1 028,023	\$ 999,280	\$ 875,422	\$ 849,096
Operating surplus before reconciliation	\$ 522,358	(\$ 255,213)	\$ 228,524	(\$ 120,127)	\$ 217,066
Financing	(\$ 674,357)	(\$ 674,357)	(\$ 703,356)	(\$ 698,441)	(\$ 581,416)
Allocations	(\$ 648,526)	(\$ 98,453)	(\$ 233,236)	(\$ 56,854)	(\$ 169,039)
Surplus	\$ 259,815	\$ 0	\$ 291,212	\$ 0	\$ 315,707

Fund analysis to December 31st, 2014	VALUE OF FUNDS	COLLECTED	ALLOCATIONS
Working capital	\$ 500,000	\$ 219,000	\$ 280,999
Parks and Green Spaces Fund		\$ 65,867	
Road Repair Fund		\$ 48,885	
Parking Fund		\$ 0	
Balance on closed borrowing by-laws		\$ 67,197	
Financing of operation activities		\$ 478	
Committed surplus		\$ 102,458	
Non committed surplus		\$ 338,676	

This year, we have continued our infrastructure modernization program. Along with road maintenance, major work has been done on Bob-Seale, Trois-Pierre and Blue Hills roads and projects have been completed in Domaine Balmoral and in the Bories area. Water pipes have been replaced on Voce road and in the des Chutes area. The Public Works Department has also multiplied interventions in many other areas and you must certainly have noticed the constant improvement in the road infrastructure, ditches and shoulders.

To help protect our environment, we now recycle: electronic products, domestic dangerous goods, mattresses and construction material at the intermunicipal Ecocentre. Large items are also being sorted and sent to recycling companies. The next step, the collection of compostable materials will be set-up in 2018. In order to meet the objectives set by the Quebec Government, the ten municipalities of the Pays-d'en-Haut have transferred residual material management program to the *MRC*.

As part of our shoreline protection program, the Environment Department inspections are ongoing. Waterfront property owners have greatly cooperated with their associations.

Moreover, only three property owners have not yet had their septic tanks emptied.

The increasing popularity of the cross-country ski and snowshoe trails, over the last few seasons, have shown the need to have a proper base facility. For this reason, the Municipality has purchased the property at 27, Bellevue, near Basler Park and the Aerobic Corridor. The Bellevue Chalet will allow for the consolidation of the cross-country, snowshoe and mountain bike trails, answering the increasing needs of its users. Also, the availability of multi-functional rooms will serve the community for recreational and exercise activities.

This purchase was paid for with the accumulated surplus over the last few years. Renovations will be carried out throughout 2016 in order for the property to be functional as of September 2016. This winter, the chalet's ground floor will serve as the outdoor network's welcome center.

Finally, financial activities are closely monitored and we foresee ending 2015 with a slight surplus.

I would like to thank all Council members and municipal employees for their concerted and sustained efforts in providing the municipality of Morin-Heights with modern infrastructures while respecting the taxpayers' ability to pay. I would also like to thank the tremendous volunteers who dedicate their time in the community's interest.

As stipulated by Law, I am presenting to Council the list of all suppliers with whom transactions have exceeded \$ 25,000 during the current year.

Here are the details regarding Council's earnings:

The Mayor's yearly income is \$ 22 679,52 to which \$ 5 921,28 is added for acting as the Municipality's representative on the *MRC Pays-d'en-Haut's* Council of Mayors, and \$ 150 per month to sit at the MRC's committees.

A councillor's yearly income is \$ 7 560,72, to which \$ 123,78 per month is added for councillors acting as pro-mayor and \$ 67,51 per month for councillors who preside over one of the twelve Council's committees.

In addition to this compensation, Council members are also allowed an expense amount equal to half their income.

The Mayor,

Tim Watchorn, ing.