



## Report to the public on the highlights of the financial report and the report of the external auditor

Under the provisions of Article 176.2.2. of the Quebec Municipal Code:

*"The mayor, at a regular council meeting in June, reports to the public on the highlights of the financial report, the Auditor General's report and the external auditor's report. This report is distributed in the territory of the municipality in accordance with the terms and conditions determined by the council."*

### **2020 Financial Statements**

The financial statement required of municipalities by the MAMH is very complex and provides a lot of information. This report is a summary of the main financial statements and its elements.

#### ***Audit obligation:***

The external auditor must, among other things, audit the financial statements for the year for which he was appointed. In his report, the external auditor declares whether the financial statements faithfully represent the municipality's financial situation as of December 31<sup>st</sup> and declares the same for the results of the municipality's operations for the fiscal year ended on the same date (section 966.2 Municipal Code).

Prepared by the accounting firm Gariépy Bussière CPA Inc., the audited financial statements for the year 2020, tabled in May 2021, demonstrate that the value of the citizens' assets amounts to \$6,424,284. This includes our infrastructure such as the town hall, the fire hall, the garage, all municipal roads, vehicles, etc. as well as the reserved funds and surpluses.

Fiscal year 2020 ended with a fiscal year surplus of \$ 593,607. This surplus includes the COVID-19 grant from the Quebec government in the amount of \$137,868. The balance of the surplus is explained by municipal activities that did not take place because of COVID-19, the investment in the Tamaracouta rehabilitation project, which has no impact on revenues and expenses, as well as the significant increase in transfer rights. Concretely, the surplus allowed the Municipality to avoid a tax increase by balancing the 2021 budget, so that the affected operating surplus (reserved for the 2021 budget) amounts to \$281,368, including the COVID-19 subsidy. As for the financial reserves and reserved funds, which amount to \$482,283, can be explained by the working capital of \$362,894 and by the available balances of closed loan by-laws of \$119,389. The long-term debt on December 31, 2020 for the entire Municipality of Mille-Isles is \$3,187,838 of which \$1,406,999 is the responsibility of the Government of Quebec and its enterprises.

The independent auditor's report indicates that the financial statements give, in all their material aspects, a true picture of the financial situation of the Municipality of Mille-Isles as of December 31, 2020, as well as of the results of their operations, changes in net financial assets (of their net debt) and of their cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

### **Remuneration of elected officials**

Section 11 of the Act respecting the remuneration of elected municipal officers (L.R.Q., chapter T-11.001) provides that:

*"The treasurer or secretary-treasurer of a municipality whose by-law is in force shall include in the municipality's financial report a reference to the remuneration and expenses allowance that each member of the council receives from the municipality, an agency mandated by it or a supra-municipal body ... "*

Here is the 2020 remuneration for municipal council members:

<b><i>Fonction</i></b>	<b><i>Annual remuneration</i></b>	<b><i>Annual allowance</i></b>	<b><i>Yearly total</i></b>
Mayor	\$13,859	\$6,930	\$20,788
Mayor (MRC)	\$4,752	\$2,376	\$7,128
Acting mayor (MRC)	\$518	\$259	\$777
Council members	\$5,358	\$2,679	\$8,037

### **List of contracts**

The mayor tables the list of all contracts involving an expenditure of more than \$2,000 concluded during the period from **January 1, 2020 to December 31, 2020** with the same co-contractor when all of these contracts include a total expenditure that exceeds \$25,000. This list indicates, for each contract, the name of each counterparty, the amount of consideration and the purpose of the contract.



### **Highlights of the Year 2020**

In 2020, the Municipality of Mille-Isles obtained a \$81,714 grant from the Government of Quebec and the Government of Canada under the Quebec Gas Tax and Contribution Program (TECQ). This grant allowed the Municipality to finalize the work on Côte Saint-Joseph which had been started in 2019 and to start the work on Tamaracouta Road West, in the Dainava Lake sector. The paving of Tamaracouta Road West as well as the Black Road rehabilitation project are planned for this year with financial assistance from this program.

Last year, the Minister of Transport, the Honourable François Bonnardel, granted the Municipality a maximum of \$3,112,460 in financial assistance for the Tamaracouta Road rehabilitation project under the Ministry of Transport's Local Roads Assistance Program. Unfortunately, this major project could not be completed in 2020 due to the extended closure of Mille-Isles Road by the Ministère des Transports du Québec, but the Municipality succeeded in obtaining an extension of the project's completion date and eligible expenses following numerous representations. The remaining work of the project must be completed by July 31 of this year.

As of December 31, 2020, there are fourteen (14) homes under construction with a total estimated work value of \$4,613,365. There were applications for five (5) detached garages for an estimated value of \$187,500 and twenty-six (26) permits for additions and/or renovations to existing buildings with an estimated value of \$528,050. These data show a significant increase over those of 2019. It is important to specify that the values reported for work generally differ from the value assigned by the assessor when the work is completed.

The property value used for 2021 taxation is \$290,696,500 in assessed value compared to \$285,085,400 for 2020 taxation, an average increase of 1.97%. Of this assessed value, \$33,310,139 comes from the category of non-residential buildings (NRB). The NRB category is primarily composed of commercial properties, while the residual property category represents all other properties, including residential, vacant land and agricultural and forestry. A property may belong to both categories, depending on its activities. During the year 2020, the Municipal Council made the decision to implement different tax rates for these two categories of buildings, as NRBs generally require more municipal services than residual buildings.

The new three-year roll (duration of three years from 2021 to 2023) was renewed without being balanced by the MRC, so we did not see a significant increase in taxable values in 2021 as is usually the case when the roll is balanced.

In closing, I invite the citizens of Mille-Isles who wish to know more about the Municipality's financial situation to consult the website under the "Documentation" tab and the "Budget and Report" sub-tab. The 2020 financial report, the list of contracts and the 2020 budget forecast are available there. These documents are also available for consultation at the municipal office.

**Mayor Howard Sauvé**

*Original signed*

**June 2, 2021**

*Notice to readers: This report was presented at the regular council meeting of June 2, 2021.*