



Mayor's report regarding the financial report and the report of the independent auditor for 2018 for the Town of Sutton

Fellow citizens,

As required by law, I present to you today the key findings that I observe regarding our fiscal year 2018, the Town's financial report as required by MAMH plus the report of the external auditor.

Firstly, I want to emphasize that **the independent auditor issued an unqualified opinion** regarding the 2018 financial statements for the Town of Sutton.

According to the audited financial report of 2018, **revenues** amounted to \$11,127,500, **expenses and allocations** to \$10,676,633, leaving a **surplus for the 2018 fiscal year** of \$450,867.

My first principal observation, regarding our financial situation, is that **the Town's revenue growth is weak** compared to last year. In turn, our expenses are under pressure upward, primarily due to inflation.

I also note that the Town's budget provided little space for the unforeseen events that inevitably occur in the course of a year; despite that, we made a **remarkable effort to respect the limits of the amounts allocated** for each of the different budget categories.

Since our arrival in office, the Council has taken note of the Town's **ageing infrastructure** (road, buildings, critical service networks, etc.) and **equipment** (especially as regards public works) many of which are approaching, or at, the end of their useful life. This reality creates significant financial needs for the near future. I must therefore pass the message to taxpayers that **the Town will have to make use of long-term borrowing** if it is to respond to this reality



In addition, as a public service manager, we must respect a wide-ranging and complex framework in accordance with the laws that apply to municipalities. This implies that we must have sufficient reserves to meet unpredictable expenses (major equipment breakdown, flooding, fire, storms, etc.); all municipalities aim to have reserves to cover these unexpected situations. However I note that despite our efforts to rigorously manage expenditures, **we are struggling to make progress in providing the City with adequate reserves** in this regard.

These major findings present significant financial challenges for the Town, and the entire Council is fully aware of this. Be assured that we are continually looking at the funding issues with a particular emphasis to **taking actions that reflect the long-term needs** of our Town.

Michel Lafrance
Mayor.