



MAYOR'S REPORT ON THE HIGHLIGHTS OF THE FINANCIAL STATEMENTS AND THE EXTERNAL AUDITOR'S REPORT FISCAL YEAR 2025

Dear citizens,

In accordance with the Cities and Towns Act, I am pleased to present the highlights of the 2025 financial report and the external auditor's report.

Qualified opinion

First, I would like to note that the auditor issued a qualified opinion due to non-compliance with a new accounting standard that has been in effect since 2023. This standard requires the valuation of liabilities related to Town assets that may eventually be abandoned. This is a mandatory accounting requirement that is, in fact, being challenged by several municipalities, as compliance entails prohibitive costs. The qualification issued does not call into question the assurance that the financial statements, in all material respects, present a true and fair view of the Town's financial position as of December 31, 2025.

Revenue and Expenses

You will note that revenues for 2025 total \$18,577,276, representing a 15.04% increase over the budgeted amount and a 13.6% increase over 2024 revenues. This growth is primarily due to:

- a \$354,345 increase in transfer taxes compared to the budgeted amount;
- a \$67,517 increase in interest revenue compared to the budget;
- the sale of a parcel of land to Nature Conservancy of Canada (NCC), the sale of a fire truck, reimbursement for the Westwood Trail and the pipeline fence, and other items, totalling approximately \$1,935,727.

Expenses total \$17,836,399, representing a 1.61% decrease from the budgeted amount but a 10.09% increase compared to 2024. However, these figures include the value of the land transferred to CNC. For their part, the reconciliation items for tax purposes total \$1,849,748.

Thus, the total surplus for fiscal year 2025 is \$2,590,625, including the \$1,000,000 sale price of the mountain land to CNC.

Revenue	
Property taxes levied according to evaluation	11 528 146 \$
Taxes levied on a different basis municipal services, 911, etc.	1 689 483 \$
Fees Permits, transfer taxes, etc.	1 678 244 \$
Transfers Grants, etc.	1 016 184 \$
Services rendered Municipal agencies, etc.	401 696 \$
Other revenue interest income, sales, etc.†	2 204 998 \$
Compensation in lieu of taxes	58 525 \$
Total revenue	18 577 276 \$

Expenses and Allocations	
General Administration Council, Finance, Town Clerk's Office, etc.	3 095 545 \$
Public Safety Police, Fire, Emergency Response, Rescue, etc.	2 791 047 \$
Transportation Roads, Snow Removal, etc.	4 053 377 \$
Environmental Health Water, Sewer, Waste Management, etc.	2 247 868 \$
Health and Well-being	99 424 \$
Planning and Urban Development	753 606 \$
Economic Development CLD, CDES, etc.	411 026 \$
Recreational Activities	862 058 \$
Cultural Activities Library, heritage, etc.	630 290 \$
Financing costs Interest, issuance costs, etc.	518 998 \$
Depreciation	2 373 160 \$
Allocation reconciliation for tax purposes	- 1 849 748 \$
Total Expenses and Allocations	15 986 651 \$

Total	
Surplus (deficit) for the fiscal year	2 590 625 \$

Surplus, funds, and reserves

Earmarked surpluses, reserves, designated funds, and deferred revenues can be used for day-to-day operations or to finance future investments, while spreading the financial burden on taxpayers more evenly over time.

The unearmarked surplus serves as the municipality's "rainy-day fund," helping to finance emergencies or timely projects not anticipated at the time the budget was prepared. It can also be used to fund one-time projects when appropriated surpluses and other funds are insufficient. It is recommended that this amount represent approximately 25% of the total budget.

From December 31, 2024, to December 31, 2025, the unappropriated surplus increased by \$1,365,427. During the same period, the total of designated surpluses, reserved funds, and financial reserves decreased by \$131,073. Including deferred revenue (park funds), the total of surpluses, funds, and reserves increased by \$1,141,388 compared to 2024.

Unappropriated surplus	
Unappropriated surplus before 2025 results	1 888 729 \$
Operating surplus generated in 2025	2 590 625 \$
Total unappropriated surplus	4 479 354 \$

Appropriated surpluses, reserved funds, and financial reserves	
Appropriated surpluses	1 020 769 \$
Reserved funds	356 080 \$
Financial reserves public works	681 \$
Total appropriated surpluses, reserved funds, etc.	1 377 530 \$

Total	
Total surpluses, funds, and reserves	5 856 884 \$
Deferred revenue Parks and playground fund	69 183 \$



Fiscal Policies

In 2025, the Town adopted two financial policies: one concerning debt management and the other concerning the use of operating surpluses. As previously noted, this surplus totals \$2,590,625. However, in applying its financial policies, the Town instead considers the operating surplus to total \$1,695,094, before allocating \$233,395 to services (water, recycling, etc.). In fact, in anticipation of the sale of the land to CNC, an amount of \$895,531 was previously allocated for the construction and renovation of the community, cultural, and recreational infrastructure to support future projects.

Long-term Debt

Long-term debt borne by taxpayers totals \$11,766,802, an increase of 33.22% compared to 2024, while debt borne by the government totals \$3,252,198, for a total of \$15,019,000. All of this demonstrates that the Town continues to invest in its infrastructure. Nevertheless, the debt remains below the regional average and that of comparable municipalities. Furthermore, the ratios remain low or very low, and below the targets and limits established in the financial policies:

Indicator 1 Municipal debt service vs. Net operating expenses	
Ratio	9,72 %
Target Ceiling	12,50 % 15,00 %

Indicator 2 Long-term net debt borne by the municipality vs. \$100 of the RFU	
Ratio	0,82 \$
Target Ceiling	0,90 \$ 1,10 \$

Indicator 3 Long-term net debt borne by the municipality vs. Operating revenue	
Ratio	120,00 %
Target Ceiling	140,00 % 160,00 %

Conclusion

In conclusion, we can say that the Town's finances remain on the right track and that we must continue the work we began four years ago.

I would therefore like to thank the residents of Sutton, as well as my colleagues on Town Council, for their trust and their participation in Sutton's political and social life. Your involvement makes our community a unique and inspiring place to live.

Finally, I would like to thank the Town's employees for their excellent management of municipal finances and the efforts they make to provide quality services. Every day, I witness their dedication to the Town and its residents.

Robert Benoit, Mayor