



Mayor's report regarding the highlights of the 2025 Financial report and the  
Independent auditors' report

Fellow citizens,

In accordance with Section 176.2.2 of the Municipal Code, I am submitting my report on the highlights of the financial report and the independent auditors' report for the year 2025.

The year 2025 was marked by a measure of economic stability compared to 2024. We continued the upkeep and maintenance of our infrastructure and successfully concluded negotiations for the first collective agreement for employees of the Recreation, Culture, and Community Life department. The real estate market remains a significant driver of our local economy and continues to have a major impact on the Town's finances. In this regard, activity has returned to a pre-pandemic pace with 35 to 40 new residential constructions per year. This trend is consistent with the directions set out in the urban plan that came into effect in 2023. However, this situation is not without an impact on the Municipality's ability to generate new revenues. It should be noted that property taxes remain the Municipality's primary source of revenue, accounting for 72% of total municipal revenues.

The 2025 fiscal year was also marked by several unforeseen events that resulted in additional, non-recurring expenditures. These include expenses not covered by the Government of Québec's general financial assistance program for disasters and incurred in response to the torrential rains of July 2024, as well as urgent expenses incurred following the rockslide on Chemin de Tourtour in December 2024, once again, for the portion of costs not reimbursable by the provincial government. In addition, the Municipality was required to make a significant payment to complete the most recent pay equity maintenance process, as mandated by law. Lastly, a refund of nearly \$80,000 had to be issued following a revision to the property assessment of a major municipal property.

Revenue from property transfer taxes significantly exceeded the operating budget projections. This revenue enabled us to absorb a portion of these unforeseen, non-recurring expenses. Tight management of the operating and capital budgets in line with projections allowed the Municipality to close out a satisfactory fiscal year.

Interest payments were in line with our budget projections, and long-term debt decreased slightly. We have been prudent in our investments, while maintaining a pace that allows Morin-Heights to avoid a deficit in the maintenance of these assets. The efforts required of the Municipality's taxpayers through the general property tax have enabled us to navigate the final months without impacting the quality of services to citizens and by keeping Morin-Heights among the top performers in public asset management.

Despite a challenging period for the finances of all Quebec municipalities, I am very proud of our achievements in 2025. These will continue to position the Municipality of Morin-Heights among the top 10 in Quebec for the quality of its infrastructure, based on the ratio of the net book value of infrastructure to its total cost.

I am pleased to announce that the 2025 fiscal year ended with an operating surplus, after reconciliation for tax purposes, of \$112,365. The financial report to be submitted by the registrar-treasurer also confirms that the Municipality continues to manage its operating and capital budgets effectively.

I am also submitting the report from the Municipality's independent auditors, Amyot Gélinas. The auditors conclude that the financial statements present, in all material respects, a true and fair view of the Municipality's financial position as of December 31<sup>st</sup>, 2025 as well as the results of its operations, changes in its net financial assets, and cash flows for the fiscal year ended on that date, in accordance with Canadian public sector accounting standards. Their opinion is qualified with respect to an accounting standard regarding obligations related to the decommissioning of capital assets. Analyses are currently underway to ensure compliance with this standard in 2026.

**Revenues**

In 2025, the budget projected revenue of \$17,402,090. Actual revenues were \$17,920,829, including investment income, which was \$518,739 more than projected, primarily due to an increase in real estate transfer taxes, higher self-generated revenue from various services provided and property taxes. It should also be noted that there was a decrease in government subsidies as well as several significant property tax refunds resulting from administrative reviews authorized by the Property Assessment Department.

**Operating expenses and allocations**

Operating expenses totaled \$15,622,037, while the budget had projected expenses of \$15,600,474, specifically \$21,543 more than anticipated, excluding depreciation. This variance is attributable to non-recurring pay equity payments, capital assets paid for in cash, and certain unforeseen non-recurring expenses described at the beginning of my report.

**The Municipality’s accumulated surpluses**

The Municipality maintains a financial cushion that has been generally reinvested, since 2019, in infrastructure or in major projects. As of December 31<sup>st</sup>, 2025, the surpluses were as follows:

Unrestricted operating surplus	\$ 448 451
Restricted operating surplus (library)	\$ 20 205
Waste management financial reserve	\$ 227 806
Water service financial reserve	\$ 56 976
Election fund	\$ 28 709
Parks fund	\$ 27 155
Eco-dynamic fund	\$ 20 209
Operating fund	\$ 825 700
Organization support fund	\$ 13 882
Available balances from closed bond issues	\$ 957 339

### Cash flow

Cash flow provides us with an accurate picture of the Municipality's financial situation and liquidity. I would like to highlight the significant efforts made to maintain and increase our cash flow. As a result, we can benefit from higher interest income while allowing the Municipality to rely less on lines of credit, short-term loans, or long-term debt.

In 2025, after several years of advocacy by the municipal sector, the Government of Quebec finally agreed to pay its full contribution to the TECQ program rather than spreading the payment over 20 years. This had a positive impact on our cash position. In addition, the Municipality's general operations also contributed to a positive cash flow. As a result, as of December 31<sup>st</sup>, 2025, the Municipality held \$992,775 more in cash than as of December 31<sup>st</sup>, 2024.

### The Municipality's long-term debt

The Municipality's long-term debt as of December 31<sup>st</sup>, 2025, amounts to \$25,206,590, compared to \$25,352,124 in 2024, a decrease of \$145,534. It should be noted that a substantial portion of the debt is financed through government program grants. The tax burden on taxpayers remains relatively stable. Debt service amounted to 6.37% of revenues and 6.35% of the budget, down from 2024.

Paid for by all taxpayers	\$ 16 736 238
Paid for by a portion of taxpayers (sector-specific taxes)	\$ 5 507 718
Paid for by the Quebec Government	\$ 1 688 089

## **Asset management and capital investments**

The Municipality continues to manage its assets diligently and closely. In 2025, we completed all projects outlined in the three-year capital expenditures program. Our asset maintenance is up to date. Nevertheless, consistency is key in this area, and we intend to continue our investments on a regular basis through rigorous planning of future capital expenditures. We did not receive any government grants for infrastructure maintenance in 2025, with the exception of the TECQ (gas tax) program. The high volume of applications across Quebec and the good condition of the Municipality's infrastructure largely explain this situation.

During the 2025 fiscal year, the Municipality increased its capital expenditures to \$4,916,582, compared to \$3,605,168 in 2024, thereby returning to the level invested in 2023. A portion of the investments was paid in cash.

Nevertheless, financing costs decreased slightly compared to 2024.

## **The overall financial situation**

We can once again take great pride in the Municipality's financial statements. What I am presenting to you today is the result of the combined sustained efforts of the entire municipal team, coupled with responsible and strategic management, in a context where municipal responsibilities are expanding. Prudence will always be essential. However, we have various areas of flexibility, and these have allowed us to keep taxes at a very respectable level that compares favorably with all municipalities in Quebec. **Debt has decreased** this year for the second consecutive year, even though we have accelerated the pace of infrastructure investments since 2019. The tax burden is reasonable, and the Municipality continues to rank among the 125 municipalities with over 4,000 residents that have the lowest overall tax rate (OTR).

Furthermore, the Municipality's overall tax rate has dropped to 56.66 cents per \$100 of assessed value in 2025, compared to 60.87 cents per \$100 of assessed value in 2024. The following table provides a comparison at various levels.

<b>2025</b>	Morin-Heights	Comparagle Population	MRC	Laurentians region	Province
Overall tax rate/ \$ 100 evaluation	56,66 cents	75,77 cents	62,09 cents	61,44 cents	72,65 cents

We will continue our efforts to provide the citizens of Morin-Heights with a high-quality municipality in a high-quality living environment. We can continue to look forward to the coming years with great optimism.

I sincerely thank you for the trust you place in us every day.

Louise Cossette  
Mayor