



Town of Newmarket  
395 Mulock Drive P.O. Box 328,  
Newmarket, Ontario, L3Y 4X7

Email: [info@newmarket.ca](mailto:info@newmarket.ca) | Website: [newmarket.ca](http://newmarket.ca) | Phone: 905-895-5193

## Q2 Financial Update Information Report

Report Number: INFO-2023-27

Department(s): Financial Services

Author(s): Andrea Tang, Manager, Finance & Accounting / Deputy Treasurer

Date: November 17, 2023

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

### Purpose

The purpose of this report is to provide a financial status update on the 2023 budget for the second quarter ending June 30, 2023.

### Background

Council approved the 2023 Budget totaling \$210.4 million on April 3, 2023 ([Report 2023-21](#)).

Components	\$ in millions
Tax-supported operating budget	94.9
Rate-supported operating budgets	52.4
Capital Budget	63.1
<b>Total</b>	<b>210.4</b>

Quarterly Financial Update reports are provided to inform results of the tax-supported operating budget, rate-supported operating budgets and capital budget.

## **Discussion**

This report outlines the financial results on each component of the Town's budget for the second quarter ending June 30, 2023.

### **Tax-Supported Operating Budget**

At the end of the second quarter of 2023, revenues were higher than budget by \$0.3 million, and expenditures were lower than budget by \$3.2 million resulting in a net favourable variance of \$3.5 million.

Revenues were favourable with bank interest income higher than budget by \$1.0 million due to high-interest rates. Tax penalty and interest were favourable by \$0.3 million. The favourable variances were offset by lower revenues in recreation programs. In 2022, the favourable variance from bank interest was transferred to the Asset Replacement Reserve Fund. Staff may recommend a similar approach in 2023 depending on the final year-end results.

Expenditures were favourable due to wage gapping from temporary staffing vacancies and timing difference in road maintenance and general repairs and maintenance.

Based on the year-to-date Q2 results, the year-end forecast is anticipated to be favourable by \$0.4 million mainly due to salary gapping and penalty & interest revenues.

### **Central York Fire Services (CYFS)**

CYFS incurred a net favourable variance of \$0.7 million mainly due to temporary staff vacancies. Revenues were slightly lower than budget due to the timing of the retainer payments.

A report on the second quarter results will be tabled to the Joint Council Committee (JCC) on September 5, 2023.

Any year-end surplus will be transferred to the Fire Services Operating Reserve.

### **Newmarket Public Library**

The Library incurred a net favourable variance of \$0.1 million. The second quarter results will be presented to the Library Board on September 27, 2023.

Any year-end surplus will be transferred to the Library Operating Reserve or a Library Capital Reserve, as appropriate.

## **Rate-Supported Operating Budget**

### **Water and Wastewater**

At the end of the first quarter, water and wastewater incurred a net favourable variance of \$0.9 million. This was mainly due to temporary staff vacancies, lower expenditures in the cathodic protection program, and general maintenance and repairs. Expenditures in these programs are anticipated to incur throughout the year.

At this time, it is anticipated that the water and wastewater operating budgets will be achieved as planned.

### **Stormwater**

Stormwater incurred a net favourable variance of \$0.4 million. This was mainly due to lower expenditures on CCTV program, maintenance, and catch basin cleaning. Expenditures in these programs are anticipated to incur throughout the year.

At this time, it is anticipated that the stormwater operating budgets will be achieved as planned.

## **Capital Budget**

Capital expenditures of \$6.0 million were incurred at the end of the second quarter against the approved capital program of \$63.1 million. Some of the larger dollar-value capital programs have started construction, and actual expenditures are anticipated to pick up in the next quarter.

## **Conclusion**

This report provides a summary of the year-to-date second-quarter financial results on the tax-supported operating budget, rate-supported operating budgets, and capital budget. Staff will continue to monitor the budgets. A report on the third quarter results will be tabled at the November 13, 2023 Committee of the Whole meeting (CoW).

## **Business Plan and Strategic Plan Linkages**

This report supports the Town's core value of financial sustainability and stewardship.

## **Consultation**

Business units were consulted on the financial results.

## **Human Resource Considerations**

Not applicable.

## **Budget Impact**

Staff will continue to monitor the budgets and adjust the year-end forecasts if required. A report on the third quarter results will be tabled at the November 13, 2023 CoW.

## **Attachments**

Appendix 1 – 2023 Second Quarter Operating Results

Appendix 2 – 2023 Second Quarter Water, Wastewater and Stormwater Operating Results

Appendix 3 – 2023 Second Quarter Capital Expenditures

## **Approval**

Mike Mayes, CPA, CGA, DPA  
Director of Financial Services

Esther Armchuk, LL.B  
Commissioner, Corporate Services

## **Contact**

Andrea Tang, CPA, CA  
Manager, Finance & Accounting / Deputy Treasurer, [atang@newmarket.ca](mailto:atang@newmarket.ca) (ext. 2104)

**Town of Newmarket  
2023 Second Quarter  
APPENDIX 1 - OPERATING RESULTS**

Departments	Year-to-Date to June 30, 2023			Full Year
	ACTUAL	BUDGET	VARIANCE	Budget
	\$	\$	\$	\$
<b>Members of Council</b>				
<i>Revenues</i>	-	-	-	-
<i>Expenditures</i>	432,930	439,730	6,800	879,445
<b>Net surplus/(deficit)</b>	<b>(432,930)</b>	<b>(439,730)</b>	<b>6,800</b>	<b>(879,445)</b>
<b>C.A.O. - Office</b>				
<i>Revenues</i>	123,105	132,380	(9,275)	264,764
<i>Expenditures</i>	2,674,329	3,110,125	435,796	4,958,039
<b>Net surplus/(deficit)</b>	<b>(2,551,224)</b>	<b>(2,977,745)</b>	<b>426,521</b>	<b>(4,693,275)</b>
<b>Corporate Services</b>				
<i>Revenues</i>	1,060,511	1,129,406	(68,895)	2,258,809
<i>Expenditures</i>	7,873,754	7,918,059	44,305	15,836,114
<b>Net surplus/(deficit)</b>	<b>(6,813,243)</b>	<b>(6,788,653)</b>	<b>(24,590)</b>	<b>(13,577,305)</b>
<b>Fire Services</b>				
<i>Revenues</i>	152,375	197,249	(44,874)	394,503
<i>Expenditures</i>	6,984,476	7,698,961	714,485	16,842,824
<b>Net surplus/(deficit)</b>	<b>(6,832,101)</b>	<b>(7,501,712)</b>	<b>669,611</b>	<b>(16,448,321)</b>
<b>Community Services</b>				
<i>Revenues</i>	3,126,153	4,097,166	(971,013)	9,595,394
<i>Expenditures</i>	14,344,022	15,149,081	805,059	32,027,144
<b>Net surplus/(deficit)</b>	<b>(11,217,869)</b>	<b>(11,051,915)</b>	<b>(165,954)</b>	<b>(22,431,750)</b>
<b>Development &amp; Infra. Services</b>				
<i>Revenues</i>	2,719,954	2,803,409	(83,455)	6,022,215
<i>Expenditures</i>	7,982,224	9,115,097	1,132,873	19,056,013
<b>Net surplus/(deficit)</b>	<b>(5,262,271)</b>	<b>(6,311,688)</b>	<b>1,049,417</b>	<b>(13,033,798)</b>
<b>Library Services</b>				
<i>Revenues</i>	30,125	65,056	(34,931)	194,508
<i>Expenditures</i>	1,802,846	1,932,220	129,374	3,864,412
<b>Net surplus/(deficit)</b>	<b>(1,772,721)</b>	<b>(1,867,164)</b>	<b>94,443</b>	<b>(3,669,904)</b>
<b>General Government</b>				
<i>Revenues</i>	2,957,886	1,417,999	1,539,887	2,836,000
<i>Expenditures</i>	1,230,349	1,135,670	(94,679)	2,277,347
<b>Net surplus/(deficit)</b>	<b>1,727,537</b>	<b>282,329</b>	<b>1,445,208</b>	<b>558,653</b>
<b>Debt Servicing</b>				
<i>Revenues</i>	1,210,377	1,210,377	0	2,420,745
<i>Expenditures</i>	2,586,201	2,586,201	0	5,172,394
<b>Net surplus/(deficit)</b>	<b>(1,375,824)</b>	<b>(1,375,824)</b>	<b>(0)</b>	<b>(2,751,649)</b>
<b>Property Taxes</b>				
<i>Revenues</i>	65,510,583	65,510,583	(0)	74,189,965
<i>Expenditures</i>	-	-	-	-
<b>Net surplus/(deficit)</b>	<b>65,510,583</b>	<b>65,510,583</b>	<b>(0)</b>	<b>74,189,965</b>
<b>Allocations</b>				
<i>Revenues</i>	-	-	-	-
<i>Expenditures</i>	(1,368,431)	(1,368,431)	0	(2,736,829)
<b>Net surplus/(deficit)</b>	<b>1,368,431</b>	<b>1,368,431</b>	<b>0</b>	<b>2,736,829</b>
<b>GRAND-TOTAL</b>				
<i>Revenues</i>	76,891,068	76,563,625	327,443	98,176,903
<i>Expenditures</i>	44,542,700	47,716,713	3,174,013	98,176,903
<b>Net surplus/(deficit)</b>	<b>32,348,368</b>	<b>28,846,912</b>	<b>3,501,456</b>	<b>-</b>

**Town of Newmarket**  
**2023 Second Quarter**

**APPENDIX 2 - Water, Wastewater & Stormwater Operating Results**

Area	Year-to-date (June 30, 2023)				Full Year Budget
	Actual	Budget	Variance		
	\$	\$	\$	%	
<b>Water Rate Group</b>					
<i>Revenues</i>	10,524,964	10,556,374	(31,410)	-0.3%	21,319,674
<i>Expenditures</i>	8,899,359	9,845,388	946,030	9.6%	20,471,564
<b>Net</b>	<b>1,625,605</b>	<b>710,986</b>	<b>914,619</b>		<b>848,110</b>
<b>Wastewater Rate Group</b>					
<i>Revenues</i>	12,323,061	12,335,526	(12,465)	-0.1%	24,914,938
<i>Expenditures</i>	10,575,379	10,617,506	42,127	0.4%	21,482,729
<b>Net</b>	<b>1,747,683</b>	<b>1,718,020</b>	<b>29,663</b>		<b>3,432,209</b>
<b>Storm Water Rate Group</b>					
<i>Revenues</i>	70,882	60,000	10,882	18.1%	3,036,520
<i>Expenditures</i>	811,469	1,154,689	343,220	29.7%	2,234,386
<b>Net</b>	<b>(740,587)</b>	<b>(1,094,689)</b>	<b>354,102</b>		<b>802,134</b>
<b>Allocations</b>					
<i>Revenues</i>	-	-	-	0.0%	-
<i>Expenditures</i>	1,360,982	1,360,982	-	0.0%	2,721,978
<b>Net</b>	<b>(1,360,982)</b>	<b>(1,360,982)</b>	<b>-</b>		<b>(2,721,978)</b>
<b>Transfer To/ From Rate Stabilization Reserves</b>					
<i>Revenues</i>	227,703	227,703	-	0.0%	455,407
<i>Expenditures</i>	290,837	290,837	-	0.0%	2,815,882
<b>Net</b>	<b>290,837</b>	<b>290,837</b>	<b>-</b>		<b>(2,360,475)</b>
<b>GRAND-TOTAL</b>					
<i>Revenues</i>	23,146,610	23,179,603	(32,993)	-0.1%	49,726,539
<i>Expenditures</i>	21,938,026	23,269,402	1,331,376	5.7%	49,726,539
<b>Net</b>	<b>1,208,585</b>	<b>- 89,799</b>	<b>1,298,384</b>		<b>-</b>

**Town of Newmarket**  
**2023 Second Quarter**  
**APPENDIX 3 - CAPITAL EXPENDITURES**

Commission / Department / Area	Actual 2023 (\$)	Budget 2023 (\$)	% of Spending
<b>General Government</b>			
	-	-	0.0%
<b>Total</b>	-	-	<b>0.0%</b>
<b>Corporate Services</b>			
Information Technology	418,568	2,035,000	20.6%
Legislative Services	-	450,000	0.0%
Asset Mgmt	26,950	-	0.0%
<b>Total</b>	<b>445,518</b>	<b>2,485,000</b>	<b>17.9%</b>
<b>Community Services</b>			
Recreation & Culture Services	-	65,000	0.0%
Facilities	598,367	4,005,000	14.9%
Parks	40,704	883,000	4.6%
Trails	351,235	247,000	142.2%
<b>Total</b>	<b>990,306</b>	<b>5,200,000</b>	<b>19.0%</b>
<b>Development &amp; Infrastructure Services</b>			
Planning & Building	82,370	581,000	14.2%
Roads	1,575,544	12,944,700	12.2%
Water	579,226	7,349,000	7.9%
Wastewater	20,497	375,000	5.5%
Storm Water	6,144	2,105,000	0.3%
Engineering	1,347,346	28,650,000	4.7%
<b>Total</b>	<b>3,611,127</b>	<b>52,004,700</b>	<b>6.9%</b>
<b>Library Services</b>			
	51,315	378,000	13.6%
<b>Total</b>	<b>51,315</b>	<b>378,000</b>	<b>13.6%</b>
<b>Central York Fire Services</b>			
	890,871	1,493,000	59.7%
<b>Total</b>	<b>890,871</b>	<b>1,493,000</b>	<b>59.7%</b>
Capital Provision		1,518,000	
<b>GRAND TOTAL</b>	<b>5,989,137</b>	<b>63,078,700</b>	<b>9.5%</b>

**SUMMARY**

<b>Total Standard Program</b>	<b>3,786,201</b>	<b>27,592,700</b>	<b>13.7%</b>
<b>Total Major Projects</b>	<b>2,202,936</b>	<b>33,968,000</b>	<b>6.5%</b>
<b>Capital Provision</b>		<b>1,518,000</b>	
<b>Total</b>	<b>5,989,137</b>	<b>63,078,700</b>	<b>9.5%</b>