



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

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Q1 2023 Financial Update Information Report

Report Number: INFO-2023-19

Department(s): Financial Services

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

Date: July 4, 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 first quarter ending March 31, 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
Total	210.4

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 first quarter ending March 31, 2023. The first quarter results are usually not significant as variances are mostly due to timing.

Tax-Supported Operating Budget

At the end of the first quarter of 2023, revenues were higher than budget by \$0.4 million, and expenditures were lower than budget by \$2.7 million resulting in a net favourable variance of \$3.1 million.

Revenues were on par with the March year-to-date budget. Bank interest income was favourable due to high interest rate. Revenues from recreation programs were slightly lower than budget with offset from favourable variances in direct program costs.

Expenditures were favourable due to lower than budgeted winter control expenditures, wage gapping from temporary staffing vacancies, as well as timing differences in consulting and training.

Central York Fire Services (CYFS)

CYFS incurred a net favourable variance of \$0.5 million mainly due to approved leave of absences. Revenues were slightly lower than budget due to timing of the retainer payments.

Newmarket Public Library

The Library incurred a net favourable variance of \$0.1 million. The first quarter results were presented to the Library Board on May 17, 2023.

Rate-Supported Operating Budget

Water and Wastewater

At the end of the first quarter, water and wastewater incurred a net favourable variance of \$0.5 million. This was mainly due to temporary staff vacancies, lower expenditures in pipe relining, cathodic protection program and general maintenance & repairs due to timing. Expenditures in these programs are anticipated to incur throughout the year.

Stormwater

Stormwater incurred a net favourable variance of \$0.2 million. This was mainly due to lower expenditures in CCTV program, maintenance and catch basin cleaning due to timing. Expenditures in these programs are anticipated to incur throughout the year.

Capital Budget

Capital expenditures of \$2.3 million were incurred at the end of the first quarter against the approved capital program of \$63.1 million. Capital expenditures should start to pick up in the second quarter during construction season.

Conclusion

This report provides a summary on the first quarter financial results on the tax-supported operating budget, rate-supported operating budgets and capital budget. Staff will continue to monitor the budgets and provide quarterly financial updates. Q2 Financial Update report will be tabled to Committee of the Whole (CoW) in August 2023.

Business Plan and Strategic Plan Linkages

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

Consultation

Business units were consulted on the financial results.

Human Resource Considerations

Not applicable.

Budget Impact

Year-end projections will be provided in the Q2 Financial Update report to be tabled to CoW in August 2023.

Attachments

Appendix 1 – 2023 First Quarter Operating Results

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

Appendix 3 – 2023 First 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 (ext. 2104)

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

Departments	Year-to-Date to March 31, 2023			Full Year
	ACTUAL	BUDGET	VARIANCE	Budget
	\$	\$	\$	\$
Members of Council				
<i>Revenues</i>	-	-	-	-
<i>Expenditures</i>	209,864	215,586	5,721	829,435
Net surplus/(deficit)	(209,864)	(215,586)	5,721	(829,435)
C.A.O. - Office				
<i>Revenues</i>	255	66,189	(65,934)	264,764
<i>Expenditures</i>	1,169,988	1,389,014	219,026	4,215,052
Net surplus/(deficit)	(1,169,733)	(1,322,825)	153,092	(3,950,288)
Corporate Services				
<i>Revenues</i>	492,625	564,702	(72,077)	2,258,809
<i>Expenditures</i>	3,729,677	3,995,027	265,350	15,240,577
Net surplus/(deficit)	(3,237,051)	(3,430,325)	193,274	(12,981,768)
Fire Services				
<i>Revenues</i>	71,584	98,623	(27,039)	394,503
<i>Expenditures</i>	3,352,567	3,863,393	510,826	16,842,824
Net surplus/(deficit)	(3,280,983)	(3,764,770)	483,787	(16,448,321)
Community Services				
<i>Revenues</i>	2,033,679	2,352,807	(319,128)	9,595,394
<i>Expenditures</i>	6,815,206	7,432,295	617,089	30,776,337
Net surplus/(deficit)	(4,781,527)	(5,079,488)	297,961	(21,180,943)
Development & Infra. Services				
<i>Revenues</i>	1,154,794	1,088,898	65,896	5,621,393
<i>Expenditures</i>	3,755,976	4,685,187	929,211	18,072,230
Net surplus/(deficit)	(2,601,182)	(3,596,289)	995,107	(12,450,837)
Library Services				
<i>Revenues</i>	11,770	32,529	(20,759)	194,508
<i>Expenditures</i>	885,694	1,023,295	137,601	3,864,412
Net surplus/(deficit)	(873,925)	(990,766)	116,841	(3,669,904)
General Government				
<i>Revenues</i>	1,457,662	630,499	827,163	2,836,000
<i>Expenditures</i>	627,174	695,908	68,734	5,499,648
Net surplus/(deficit)	830,489	(65,409)	895,897	(2,663,648)
Debt Servicing				
<i>Revenues</i>	424,982	424,982	(0)	2,420,745
<i>Expenditures</i>	1,303,904	1,303,904	(0)	5,172,394
Net surplus/(deficit)	(878,922)	(878,922)	0	(2,751,649)
Property Taxes				
<i>Revenues</i>	34,654,743	34,654,743	0	74,189,965
<i>Expenditures</i>	-	-	-	-
Net surplus/(deficit)	34,654,743	34,654,743	0	74,189,965
Allocations				
<i>Revenues</i>	-	-	-	-
<i>Expenditures</i>	(684,290)	(684,290)	0	(2,736,829)
Net surplus/(deficit)	684,290	684,290	0	2,736,829
GRAND-TOTAL				
<i>Revenues</i>	40,302,095	39,913,972	388,123	97,776,081
<i>Expenditures</i>	21,165,760	23,919,318	2,753,558	97,776,081
Net surplus/(deficit)	19,136,334	15,994,654	3,141,681	-

Town of Newmarket

2023 First Quarter

APPENDIX 2 - Water, Wastewater & Stormwater Operating Results

Area	Year-to-date (March 31, 2023)				Full Year Budget
	Actual	Budget	Variance		
	\$	\$	\$	%	
Water Rate Group					
<i>Revenues</i>	5,004,037	5,099,860	(95,823)	-1.9%	21,319,674
<i>Expenditures</i>	4,146,501	4,737,298	590,797	12.5%	19,837,474
Net	857,536	362,562	494,974		1,482,200
Wastewater Rate Group					
<i>Revenues</i>	5,856,566	5,862,910	(6,344)	-0.1%	24,914,938
<i>Expenditures</i>	4,962,529	5,019,480	56,951	1.1%	21,482,729
Net	894,037	843,430	50,607		3,432,209
Storm Water Rate Group					
<i>Revenues</i>	31,806	30,000	1,806	6.0%	3,036,520
<i>Expenditures</i>	302,520	541,403	238,883	44.1%	2,228,572
Net	(270,714)	(511,403)	240,689		807,948
Allocations					
<i>Revenues</i>	-	-	-	0.0%	-
<i>Expenditures</i>	680,488	680,488	-	0.0%	2,721,978
Net	(680,488)	(680,488)	-		(2,721,978)
Transfer To/ From Rate Stabilization Reserves					
<i>Revenues</i>	80,329	80,329	-	0.0%	321,317
<i>Expenditures</i>	830,424	830,424	-	0.0%	3,321,696
Net	830,424	830,424	-		(3,000,379)
GRAND-TOTAL					
<i>Revenues</i>	10,972,737	11,073,099	(100,362)	-0.9%	49,592,449
<i>Expenditures</i>	10,922,461	11,809,093	886,632	7.5%	49,592,449
Net	50,276	- 735,994	786,270		-

Town of Newmarket
2023 First Quarter
APPENDIX 3 - CAPITAL EXPENDITURES

Commission / Department / Area	Actual 2023 (\$)	Budget 2023 (\$)	% of Spending
<u>General Government</u>			
	-	-	0.0%
Total	-	-	0.0%
<u>Corporate Services</u>			
Information Technology	76,142	2,035,000	3.7%
Legislative Services	-	450,000	0.0%
Asset Mgmt	26,950	-	0.0%
Total	103,092	2,485,000	4.1%
<u>Community Services</u>			
Recreation & Culture Services	-	65,000	0.0%
Facilities	61,685	4,005,000	1.5%
Parks	40,704	883,000	4.6%
Trails	-	247,000	0.0%
Total	102,389	5,200,000	2.0%
<u>Development & Infrastructure Services</u>			
Planning & Building	24,160	581,000	4.2%
Roads	478,530	12,944,700	3.7%
Water	268,733	7,349,000	3.7%
Wastewater	1,912	375,000	0.5%
Storm Water	5,639	2,105,000	0.3%
Engineering	768,771	29,650,000	2.6%
Total	1,547,745	53,004,700	2.9%
<u>Library Services</u>			
	-	378,000	0.0%
Total	-	378,000	0.0%
<u>Central York Fire Services</u>			
	577,512	1,493,000	38.7%
Total	577,512	1,493,000	38.7%
Capital Provision		518,000	
GRAND TOTAL	2,330,738	63,078,700	3.7%

SUMMARY

Total Standard Program	1,105,594	27,592,700	4.0%
Total Major Projects	1,225,144	34,968,000	3.5%
Capital Provision		518,000	
Total	2,330,738	63,078,700	3.7%