



Town of Newmarket  
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## Second Quarter 2024 Financial Update Information Report

Report Number: INFO-2024-16

Department(s): Financial Services

Author(s): Andrea Tang, Director, Financial Services / Treasurer

Date: August 26, 2024

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 the report is to provide a financial status update on the 2024 Budget for the second quarter ending June 30, 2024.

### Background

Council approved the 2024 budget on December 11, 2023. There were changes to the 2024 capital program through Quarterly Financial Update reports that brought the 2024 capital budget from \$70.6 million to \$72.0 million. The total 2024 Budget is now at \$231.40 million.

### Discussion

This report outlines the financial results on each component of the Town's budget for the second quarter ending June 30, 2024.

### Tax-Supported Operating Budget

At the end of the second quarter of 2024, revenues were higher than budget by \$1.1 million, and expenditures were lower than budget by \$1.2 million resulting in a net favourable variance of \$2.3 million.

Revenues were favourable mainly from tax penalty and interest with a favourable variance of \$0.6 million, and higher bank interest income of \$0.2 million due to high interest rates. Occupancy permit fees were higher than budget by \$0.5 million.

Expenditures were favourable due to wage gapping from temporary staffing vacancies, winter control, and timing difference in road maintenance and general repairs and maintenance. Any year-end surplus from winter control will be transferred to the winter control reserve. The year-to-date June results include expenditures associated with the Community Safety Camera Program.

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 10, 2024.

Any year-end surplus will be transferred to the CYFS 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 18, 2024.

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 \$0.8 million. This was mainly due to temporary staff vacancies, lower expenditures in the cathodic protection program, CCTV 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 \$0.3 million. This was mainly due to lower expenditures on CCTV program and general maintenance and repairs.

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

## **Capital Budget**

Capital expenditures of \$13.6 million were incurred at the end of the second quarter against the approved capital program of \$72.0 million. Some of the larger dollar-value capital programs have started construction, and expenditures are anticipated to pick up over the next two quarters.

## **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 11, 2024 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 11, 2024 CoW.

## **Attachments**

Appendix 1 – 2024 Second Quarter Operating Results

Appendix 2 – 2024 Second Quarter Water, Wastewater and Stormwater Operating Results

Appendix 3 – 2024 Second Quarter Capital Expenditures

## **Approval**

Andrea Tang, CPA, CA

Director, Financial Services

Esther Armchuk, LL.B  
Commissioner, Corporate Services

## **Contact**

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**Town of Newmarket  
2024 Second Quarter  
APPENDIX 1 - OPERATING RESULTS**

Departments	Year-to-Date to March 31, 2024			Full Year
	ACTUAL	BUDGET	VARIANCE	Budget
	\$	\$	\$	\$
<b>Members of Council</b>				
<i>Revenues</i>	-	-	-	-
<i>Expenditures</i>	446,260	448,775	2,515	897,529
<b>Net surplus/(deficit)</b>	<b>(446,260)</b>	<b>(448,775)</b>	<b>2,515</b>	<b>(897,529)</b>
<b>C.A.O. - Office</b>				
<i>Revenues</i>	130,735	132,522	(1,787)	265,044
<i>Expenditures</i>	2,953,143	3,382,999	429,856	5,340,577
<b>Net surplus/(deficit)</b>	<b>(2,822,408)</b>	<b>(3,250,477)</b>	<b>428,069</b>	<b>(5,075,533)</b>
<b>Corporate Services</b>				
<i>Revenues</i>	1,213,457	1,185,786	27,671	2,371,553
<i>Expenditures</i>	9,134,365	8,583,342	(551,023)	17,166,710
<b>Net surplus/(deficit)</b>	<b>(7,920,908)</b>	<b>(7,397,556)</b>	<b>(523,352)</b>	<b>(14,795,157)</b>
<b>Fire Services</b>				
<i>Revenues</i>	134,411	197,248	(62,837)	394,503
<i>Expenditures</i>	7,235,222	8,023,387	788,165	16,953,233
<b>Net surplus/(deficit)</b>	<b>(7,100,812)</b>	<b>(7,826,139)</b>	<b>725,327</b>	<b>(16,558,730)</b>
<b>Community Services</b>				
<i>Revenues</i>	4,421,211	4,372,654	48,557	10,371,184
<i>Expenditures</i>	16,113,910	15,904,372	(209,538)	33,566,611
<b>Net surplus/(deficit)</b>	<b>(11,692,699)</b>	<b>(11,531,718)</b>	<b>(160,981)</b>	<b>(23,195,427)</b>
<b>Development &amp; Infra. Services</b>				
<i>Revenues</i>	2,867,567	2,647,689	219,878	7,119,443
<i>Expenditures</i>	8,767,822	9,611,726	843,903	21,016,403
<b>Net surplus/(deficit)</b>	<b>(5,900,256)</b>	<b>(6,964,037)</b>	<b>1,063,781</b>	<b>(13,896,960)</b>
<b>Library Services</b>				
<i>Revenues</i>	38,847	49,125	(10,278)	162,660
<i>Expenditures</i>	1,839,191	1,972,212	133,021	3,944,435
<b>Net surplus/(deficit)</b>	<b>(1,800,344)</b>	<b>(1,923,087)</b>	<b>122,743</b>	<b>(3,781,775)</b>
<b>General Government</b>				
<i>Revenues</i>	2,508,912	1,577,999	930,913	3,156,000
<i>Expenditures</i>	1,413,802	1,183,099	(230,704)	2,366,207
<b>Net surplus/(deficit)</b>	<b>1,095,109</b>	<b>394,900</b>	<b>700,209</b>	<b>789,793</b>
<b>Debt Servicing</b>				
<i>Revenues</i>	1,210,377	1,210,377	0	2,420,745
<i>Expenditures</i>	2,619,358	2,619,358	0	5,238,701
<b>Net surplus/(deficit)</b>	<b>(1,408,981)</b>	<b>(1,408,981)</b>	<b>(0)</b>	<b>(2,817,956)</b>
<b>Property Taxes</b>				
<i>Revenues</i>	68,355,262	68,355,262	(0)	77,437,965
<i>Expenditures</i>	-	-	-	-
<b>Net surplus/(deficit)</b>	<b>68,355,262</b>	<b>68,355,262</b>	<b>(0)</b>	<b>77,437,965</b>
<b>Allocations</b>				
<i>Revenues</i>	-	-	-	-
<i>Expenditures</i>	(1,395,673)	(1,395,673)	0	(2,791,308)
<b>Net surplus/(deficit)</b>	<b>1,395,673</b>	<b>1,395,673</b>	<b>0</b>	<b>2,791,308</b>
<b>GRAND-TOTAL</b>				
<i>Revenues</i>	80,880,778	79,728,662	1,152,116	103,699,097
<i>Expenditures</i>	49,127,401	50,333,596	1,206,196	103,699,097
<b>Net surplus/(deficit)</b>	<b>31,753,377</b>	<b>29,395,066</b>	<b>2,358,312</b>	<b>-</b>

Town of Newmarket

2024 Second Quarter

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

Area	Year-to-date (June 30, 2024)				Full Year Budget
	Actual	Budget	Variance		
	\$	\$	\$	%	
<b><u>Water Rate Group</u></b>					
<i>Revenues</i>	10,907,476	10,942,396	(34,920)	-0.3%	22,098,961
<i>Internal Allocations</i>	664,793	664,793	-	0.0%	1,329,587
<i>Expenditures</i>	9,577,309	10,263,644	686,335	6.7%	20,792,556
<b>Net</b>	<b>665,374</b>	<b>13,959</b>	<b>651,415</b>		<b>(23,182)</b>
<b><u>Wastewater Rate Group</u></b>					
<i>Revenues</i>	12,795,593	12,791,115	4,478	0.0%	25,834,649
<i>Internal Allocations</i>	610,996	610,996	-	0.0%	1,222,000
<i>Expenditures</i>	11,269,631	11,486,197	216,566	1.9%	23,219,290
<b>Net</b>	<b>914,965</b>	<b>693,922</b>	<b>221,043</b>		<b>1,393,359</b>
<b><u>Storm Water Rate Group</u></b>					
<i>Revenues</i>	4,732,995	4,732,995	-	0.0%	9,598,690
<i>Internal Allocations</i>	112,432	112,432	-	0.0%	224,870
<i>Expenditures</i>	3,709,030	3,963,239	254,209	6.4%	8,387,484
<b>Net</b>	<b>911,533</b>	<b>657,324</b>	<b>254,209</b>		<b>986,336</b>
<b><u>GRAND-TOTAL</u></b>					
<i>Revenues</i>	28,436,064	28,466,506	(30,442)	-0.1%	57,532,300
<i>Expenditures</i>	25,944,192	27,101,301	1,157,109	4.3%	57,532,300
<b>Net</b>	<b>2,491,872</b>	<b>1,365,205</b>	<b>1,126,667</b>		<b>-</b>

**Town of Newmarket**  
**2024 Second Quarter**  
**APPENDIX 3 - CAPITAL EXPENDITURES**

Commission / Department / Area	Actual 2024 (\$)	Annual Budget 2024 (\$)	% of Spending
<b><u>Corporate Services</u></b>			
Information Technology	243,924	2,506,000	9.7%
Legislative Services	52,327	305,500	17.1%
Asset Mgmt	-	-	0.0%
<b>Total</b>	<b>296,251</b>	<b>2,811,500</b>	<b>10.5%</b>
<b><u>Community Services</u></b>			
Recreation & Culture Services	-	85,000	0.0%
Facilities	1,795,728	4,310,000	41.7%
Parks	25,889	1,385,000	1.9%
Trails	22,591	-	0.0%
<b>Total</b>	<b>1,844,208</b>	<b>5,780,000</b>	<b>31.9%</b>
<b><u>Development &amp; Infrastructure Services</u></b>			
Planning & Building	47,125	580,000	8.1%
Roads	2,858,863	14,696,500	19.5%
Water	1,030,739	5,560,500	18.5%
Wastewater	11,636	47,000	24.8%
Storm Water	39,745	1,947,000	2.0%
Engineering	7,250,164	36,942,500	19.6%
<b>Total</b>	<b>11,238,272</b>	<b>59,773,500</b>	<b>18.8%</b>
<b><u>Library Services</u></b>			
	90	260,000	0.0%
<b>Total</b>	<b>90</b>	<b>260,000</b>	<b>0.0%</b>
<b><u>Central York Fire Services</u></b>			
	265,151	3,356,400	7.9%
<b>Total</b>	<b>265,151</b>	<b>3,356,400</b>	<b>7.9%</b>
Capital Provision		-	
<b>GRAND TOTAL</b>	<b>13,658,106</b>	<b>71,981,400</b>	<b>19.0%</b>

**SUMMARY**

<b>Total Standard Program</b>	<b>5,667,783</b>	<b>31,726,400</b>	<b>17.9%</b>
<b>Total Major Projects</b>	<b>7,990,323</b>	<b>40,255,000</b>	<b>19.8%</b>
<b>Total</b>	<b>13,658,106</b>	<b>71,981,400</b>	<b>19.0%</b>