



INFORMATION REPORT
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May 22, 2015

CORPORATE SERVICES INFORMATION REPORT – FINANCIAL SERVICES 2015-16

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: 2014 Final Q4-Operating, Capital and Utilities

ORIGIN: Manager of Finance and Accounting

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

COMMENTS

Finance Report 2015-06 dated February 19, 2015 projected a minimal preliminary 2014 surplus. Since the presentation of the report, some expenses came in slightly higher than originally projected which resulted in a small operating deficit of \$61,696. All transfers have been made that were previously authorized.

The audit field work has been completed. No adjustments were made as a result of the audit that impacted the operating results. Final audited statements will be presented to the Audit Committee in June and then to Council for approval.

Tax Supported Operating Budget

The Workplace Safety and Insurance Board (WSIB) has an experience rating program that can increase the cost if the claims exceed the WSIB's expectation and issue a surcharge. After year-end, but before the preparation of the financial statements, an unanticipated NEER statement for 2014 in the amount of \$598,000 was received and accrued to WSIB expense. \$476,000 was transferred from the NEER Support Reserve Fund, depleting the fund, and a further \$122,000 was transferred from the Corporate Rate Stabilization Reserve. This had not been factored into the original projection.



At the end of the year, tax cancellations were \$642,000 over budget compared to our projection of \$615,000. \$556,000 was transferred from the Corporate Rate Stabilization Reserve to help offset the higher tax adjustments.

Newmarket Public Library

The Newmarket Public Library ended the year with a small surplus of \$229 which was transferred to the Library Reserve, bringing the year-end balance to \$488,755.

Central York Fire Services

The \$10,009 favorable operating variance was transferred to the CYFS Reserve Fund. The balance in the reserve fund at the end of the year is \$851,896. \$1,068,707 in unspent capital was carried over into 2015.

Building Department

Expenditures exceeded revenues by \$171,385, resulting in a transfer of the same amount from the Reserve for Building Permits. As at the end of December 31, 2014, the Reserve for Building Permits had a balance of \$5,316,859 which is used to offset future costs or revenue slowdowns. BMA Management Consultants were hired to do a review and a report on fees is expected in the near future.

Water & Wastewater

As projected in Finance Report 2015-06, revenue and expenses ended the year under budget. While not at the level budgeted (\$1,560,989), the surplus of \$1,089,450 was transferred to the Rate Stabilization Reserves.

Capital Fund

Capital expenditures totaled \$20,362,371 compared to a budget of \$51,414,125. \$28,132,006 is to be carried forward to 2015. The total 2015 capital budget, including carryovers, is \$57,465,481.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

This report includes the results of discussions with our auditors, BDO.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report.

BUDGET IMPACT

Operating Budget (Current and Future)


The 2014 operating deficit of \$61,696 will be covered by a transfer from the Corporate Rate Stabilization Reserve in 2015.

Capital Budget

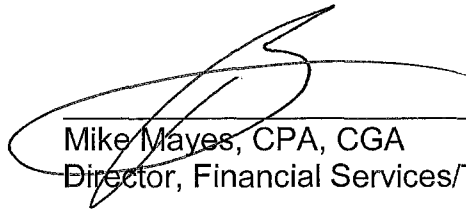
The 2014 capital carryovers of \$28,132,006 will be added to the new projects approved during the 2015 budget process.

CONTACT

For more information on this report, contact: Dawn Schellenberg at 905-953-5300, ext. 2104 or via e-mail at dschellenberg@newmarket.ca



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