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**December 31, 2019**

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**26. SEGMENTED INFORMATION**

Certain allocation methodologies are employed by the Town in the preparation of segmented financial information. Government grants, user charges, transfers from other funds, and other revenues are allocated to the specific program or service they relate to. Expense allocations are both internal and external. There is an external allocation to the Town of Aurora for its share of the costs of running Central York Fire Services (see Note 23). Activity based costing is used to allocate internal support costs to departments. These costs include the net expenses for departments, such as human resources, information systems, finance and others, commonly referred to as overhead. Measures of activity, or drivers, are used to apportion the support costs.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

**Schedule 2 Service Bundles**

The Town's services and programs are grouped and reported based on a customer driven service bundle in Schedule 2. Revenues are reported by source, while expenses are reported by object. The Town determines an individual tax rate for each service to attain full cost recovery. Tax revenues are allocated according to the tax billing. Net revenues before financing include capital expenses, reserves, reserve funds and transfers. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

**Fire & Emergency Services**

Central York Fire Services provides fire services to the residents of Newmarket and Aurora. They are responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. The cost of these services is shared between the two municipalities based on a cost sharing formula described in Note 23.

**Water, Wastewater & Solid Waste**

The Town provides drinking water to its citizens and collects wastewater. The solid waste and recycling program includes curbside collection of recyclables, organics, yard waste and garbage.

**By-law & Licensing Services**

The Town issues a variety of licenses including marriage, taxicab and animal licenses. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of zoning by-laws and the processing of building permit applications.

**Roads, Bridges & Sidewalks**

The Public Works and Environmental Services department is responsible for the cleanliness, safety and maintenance of the Town's paved roads, bridges and sidewalks.

**Planning & Development Services**

The Town creates plans for Newmarket's future. It manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown through Town planning, community development, parks and riverbank planning.

**Community Programs & Events**

The Town provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs. It also hosts community special events throughout the year.

**Facilities, Parks & Trails**

The Town maintains numerous recreation facilities, as well as indoor community space for booking and community use. It also maintains parks and playgrounds, open spaces, and a vast trail system.

**Notes to the Consolidated Financial Statements**  
**December 31, 2019**

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**26. SEGMENTED INFORMATION (Continued)**

**Corporate Support & Governance**

The Town Council, the Office of the CAO, Legal and other support staff and services are included here.

**Public Library Services**

The provision of library services contributes towards the information needs of the Town's citizens. The library also provides programs to local residents.

**Main Street District BIA**

The Main Street District BIA promotes the Main Street area as a business, shopping and entertainment area. This department has been separately disclosed from other Planning & Development Services, due to its requirement to have audited financial statements.

**27. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year financial statement presentation. The reclassifications relate to regroupings within various categories of tangible capital assets.

**28. SUBSEQUENT EVENT**

Subsequent to year-end, on March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel corona virus ("COVID -19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID -19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Town of Newmarket in future periods.

**29. RELATED PARTIES**

A consulting company has provided services to the Town of Newmarket during 2019 in the amount of \$1,532,306 (\$1,067,995 in 2018). A member of the company's management is the spouse of a director for the Town. The transactions have been on market terms and appropriate internal controls are in place.

Note 10, Investment in Newmarket Hydro Holdings Inc. discloses related party transactions with the Town's business enterprises. In addition, there were other related party transactions amounting to less than \$100,000 in total, each of which are not of a significant amount and are done on market terms.

The Corporation of the Town of Newmarket  
 Tangible Capital Assets - Summary By Asset Category  
 December 31, 2019

Schedule 1

	Cost				Accumulated Amortization				2019	
	2019 Opening Balance	Additions and Betterments	Disposals/ Transfers	Write Downs	2019 Closing Balance	2019 Opening Balance	2019 Amortization Expense	Accumulated Amortization on Disposals	2019 Ending Balance	Net Book Value
<b>General Capital Assets</b>										
Land	\$ 99,598,888	\$ 6	\$ -	\$ -	\$ 99,598,894	\$ -	\$ -	\$ -	\$ -	\$ 99,598,894
Land improvements	14,535,428	250,442	-	-	14,785,870	2,959,911	470,512	-	3,430,423	11,355,447
Buildings and building components	97,718,129	1,968,298	-	-	99,686,427	40,570,984	2,740,512	-	43,311,496	56,374,931
Machinery and Equipment	17,493,894	1,110,388	410,143	-	18,194,139	9,548,922	1,539,899	404,683	10,684,138	7,510,001
Vehicles	6,661,324	1,357,078	539,586	-	7,478,816	3,473,810	512,156	539,583	3,446,383	4,032,433
Library Collection	1,658,121	196,476	233,714	-	1,620,883	964,521	202,103	233,714	932,910	687,973
	<b>\$ 237,665,784</b>	<b>\$ 4,882,688</b>	<b>\$ 1,183,443</b>	<b>\$ -</b>	<b>\$ 241,365,029</b>	<b>\$ 57,518,148</b>	<b>\$ 5,465,182</b>	<b>\$ 1,177,980</b>	<b>\$ 61,805,350</b>	<b>\$ 179,559,679</b>
<b>Infrastructure Assets</b>										
Land	\$ 18,492,537	\$ -	\$ -	\$ -	\$ 18,492,537	\$ -	\$ -	\$ -	\$ -	\$ 18,492,537
Land improvements	24,881,202	155,733	-	-	25,036,935	18,976,309	617,939	-	19,594,248	5,442,687
Buildings and building components	24,846,461	414,900	-	-	25,261,361	6,236,255	795,641	-	7,031,896	18,229,465
Machinery and Equipment	2,215,852	333,883	-	-	2,549,735	1,337,213	136,777	-	1,473,990	1,075,745
Vehicles	2,677,286	328,733	298,405	-	2,707,614	1,506,292	321,440	298,405	1,529,327	1,178,287
Linear Assets	503,423,767	5,571,993	1,352,464	-	507,643,296	220,426,390	9,520,451	1,288,158	228,658,683	278,984,613
	<b>\$ 576,537,105</b>	<b>\$ 6,805,242</b>	<b>\$ 1,650,869</b>	<b>\$ -</b>	<b>\$ 581,691,478</b>	<b>\$ 248,482,459</b>	<b>\$ 11,392,248</b>	<b>\$ 1,586,563</b>	<b>\$ 258,288,144</b>	<b>\$ 323,403,334</b>
<b>Construction in Progress</b>	<b>\$ 6,233,623</b>	<b>\$ 13,551,850</b>	<b>\$ 4,364,945</b>	<b>\$ -</b>	<b>\$ 15,420,528</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,420,528</b>
<b>Total Tangible Capital Assets</b>	<b>\$ 820,436,512</b>	<b>\$ 25,239,780</b>	<b>\$ 7,199,257</b>	<b>\$ -</b>	<b>\$ 838,477,035</b>	<b>\$ 306,000,607</b>	<b>\$ 16,857,430</b>	<b>\$ 2,764,543</b>	<b>\$ 320,093,494</b>	<b>\$ 518,383,541</b>

The Corporation of the Town of Newmarket  
Tangible Capital Assets - Summary By Asset Category  
December 31, 2018

Schedule 1

	Cost				Accumulated Amortization				2018	Net Book Value
	2018 Opening Balance	Additions and Betterments	Disposals/ Transfers	Write Downs	2018 Closing Balance	2018 Opening Balance	2018 Amortization Expense	Accumulated Amortization on Disposals	2018 Ending Balance	
<b>General Capital Assets</b>										
Land	\$ 74,738,474	\$ 24,860,414	\$ -	\$ -	\$ 99,598,888	\$ -	\$ -	\$ -	\$ -	\$ 99,598,888
Land improvements	12,336,473	2,198,955	-	-	14,535,428	2,534,567	425,344	-	2,959,911	\$ 11,575,517
Buildings and building components	97,256,841	750,037	288,749	-	97,718,129	38,151,602	2,574,585	155,203	40,570,984	\$ 57,147,145
Machinery and Equipment	16,093,397	1,824,028	423,531	-	17,493,894	8,667,579	1,431,557	550,214	9,548,922	\$ 7,944,972
Vehicles	6,565,043	96,281	-	-	6,661,324	3,053,661	420,149	-	3,473,810	\$ 3,187,514
Library Collection	1,693,070	186,529	221,478	-	1,658,121	979,143	206,856	221,478	964,521	\$ 693,600
	\$ 208,683,298	\$ 29,916,244	\$ 933,758	\$ -	\$ 237,665,784	\$ 53,386,552	\$ 5,058,491	\$ 926,895	\$ 57,518,148	\$ 180,147,636
<b>Infrastructure Assets</b>										
Land	\$ 18,492,537	\$ -	\$ -	\$ -	\$ 18,492,537	\$ -	\$ -	\$ -	\$ -	\$ 18,492,537
Land improvements	24,544,411	336,791	-	-	24,881,202	18,384,962	591,347	-	18,976,309	\$ 5,904,893
Buildings and building components	24,846,461	-	-	-	24,846,461	5,442,342	793,913	-	6,236,255	\$ 18,610,206
Machinery and Equipment	2,056,699	310,554	151,401	-	2,215,852	1,211,162	126,051	-	1,337,213	\$ 878,639
Vehicles	2,294,230	769,916	386,860	-	2,677,286	1,593,888	299,264	386,860	1,506,292	\$ 1,170,994
Linear Assets	492,095,371	12,169,281	840,885	-	503,423,767	211,719,444	9,397,800	690,854	220,426,390	\$ 282,997,377
	\$ 564,329,709	\$ 13,586,542	\$ 1,379,146	\$ -	\$ 576,537,105	\$ 238,351,798	\$ 11,208,375	\$ 1,077,714	\$ 248,482,459	\$ 328,054,646
<b>Construction in Progress</b>	\$ 5,436,217	\$ 5,030,449	\$ 4,233,043	\$ -	\$ 6,233,623	\$ -	\$ -	\$ -	\$ -	\$ 6,233,623
<b>Total Tangible Capital Assets</b>	\$ 778,449,224	\$ 48,533,235	\$ 6,545,947	\$ -	\$ 820,436,512	\$ 291,738,350	\$ 16,266,866	\$ 2,004,609	\$ 306,000,607	\$ 514,435,905

The Corporation of the Town of Newmarket  
 Segment Disclosures - Service Bundle  
 Year ended December 31, 2019

	Fire & Emergency Services		Water, Wastewater & Solid Waste		Bylaw & Licensing Services		Roads, Bridges & Sidewalks	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>EXPENSES</b>								
Salaries and wages	\$ 21,887,315	\$ 21,331,556	\$ 2,984,615	\$ 2,884,088	\$ 1,483,143	\$ 1,255,348	\$ 2,666,574	\$ 2,326,188
Materials, goods and supplies	1,061,909	906,911	2,693,217	775,403	84,394	76,927	1,284,288	1,116,804
Utilities	170,685	152,995	25,385	24,500	-	-	1,055,088	1,009,234
Contracted and general services	753,604	814,985	31,044,455	29,472,163	519,589	438,437	925,555	749,375
Rents and financial	30,600	30,000	78,561	73,116	8,567	11,884	2,325	2,087
Interest on long-term debt	-	-	198,780	560,926	-	-	-	-
Capital repairs and maintenance	901,581	336,116	1,365,745	1,993,877	-	-	2,082,039	1,418,028
Amortization expenses	507,714	432,908	3,085,920	3,009,329	25,843	20,990	7,516,169	7,407,171
Allocations	(8,356,926)	(7,981,592)	1,586,858	3,183,971	720,080	718,964	3,258,806	1,397,299
<b>Total expenses</b>	<b>16,956,482</b>	<b>16,023,879</b>	<b>43,063,536</b>	<b>41,977,373</b>	<b>2,841,616</b>	<b>2,522,550</b>	<b>18,790,844</b>	<b>15,426,186</b>
<b>REVENUES</b>								
Taxation	17,304,734	16,898,382	3,542,595	3,386,064	1,820,284	1,656,338	10,056,751	10,742,920
User charges	331,878	317,084	42,001,281	40,094,636	514,910	375,274	131,011	120,904
External non-tax revenues	34,111	170,337	5,506,081	6,379,595	601,930	565,206	6,244,478	5,078,663
(Loss)/Gain on sale of tangible capital assets	17,601	-	(88,220)	(85,409)	-	-	(175,667)	92,726
<b>Total revenues</b>	<b>17,688,324</b>	<b>17,385,803</b>	<b>50,961,737</b>	<b>49,774,886</b>	<b>2,937,124</b>	<b>2,596,818</b>	<b>16,256,573</b>	<b>16,035,213</b>
Net surplus of Gov't. Business Enterprise	-	-	-	-	-	-	-	-
<b>Annual Surplus (Deficit)</b>	<b>\$ 731,842</b>	<b>\$ 1,361,924</b>	<b>\$ 7,898,201</b>	<b>\$ 7,797,513</b>	<b>\$ 95,508</b>	<b>\$ 74,268</b>	<b>\$ (2,534,271)</b>	<b>\$ 609,027</b>

Note: Allocations are based on estimates of the support services provided to other departments.

The Corporation of the Town of Newmarket  
 Segment Disclosures - Service Bundle  
 Year ended December 31, 2019

	Planning & Development Services		Community Programs & Events		Facilities, Parks & Trails		Corporate Support & Governance	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>EXPENSES</b>								
Salaries and wages	\$ 4,594,089	\$ 4,598,247	\$ 6,735,505	\$ 6,715,338	\$ 8,370,343	\$ 8,012,138	\$ 12,596,321	\$ 11,497,479
Materials, good and supplies	243,610	289,242	160,883	173,137	3,363,876	1,825,999	466,418	445,324
Utilities	-	-	3,053	2,531	2,332,566	2,098,951	630,436	662,893
Contracted and general services	303,704	484,859	1,545,602	1,431,638	1,711,903	1,337,412	3,560,916	3,917,327
Rents and financial	-	2,860	53,259	43,689	51,559	48,047	53,006	52,909
Interest on long-term debt	-	-	-	-	-	-	1,895,306	1,595,929
Capital repairs and maintenance	553,049	327,359	-	-	2,011,189	3,078,869	271,602	548,923
Amortization expenses	-	-	72,497	62,434	4,353,606	4,254,065	875,045	766,316
Allocations	2,650,422	2,476,613	2,178,767	1,718,833	2,985,245	3,535,191	(16,333,254)	(15,769,313)
<b>Total expenditures</b>	<b>8,344,874</b>	<b>8,179,180</b>	<b>10,749,566</b>	<b>10,147,600</b>	<b>25,180,287</b>	<b>24,190,672</b>	<b>4,015,796</b>	<b>3,717,787</b>
<b>REVENUES</b>								
Taxation	4,126,615	3,987,602	4,599,434	5,047,374	18,287,800	15,636,888	-	-
User charges	3,236,410	3,155,485	5,376,311	4,820,550	2,478,134	2,447,465	1,663,975	535,010
External non-tax revenues	1,873,953	1,303,880	934,197	798,238	1,101,715	2,673,214	6,441,438	7,235,869
(Loss)/Gain on sale of tangible capital assets	-	-	-	-	23,287	(99,202)	-	-
<b>Total revenues</b>	<b>9,236,978</b>	<b>8,446,967</b>	<b>10,909,942</b>	<b>10,666,162</b>	<b>21,890,936</b>	<b>20,658,365</b>	<b>8,105,413</b>	<b>7,770,879</b>
Net surplus of Gov't. Business Enterprise	-	-	-	-	-	-	(541,634)	838,672
<b>Annual Surplus (Deficit)</b>	<b>\$ 892,104</b>	<b>\$ 267,787</b>	<b>\$ 160,376</b>	<b>\$ 518,562</b>	<b>\$ (3,289,351)</b>	<b>\$ (3,532,307)</b>	<b>\$ 3,547,983</b>	<b>\$ 4,891,764</b>

Note: Allocations are based on estimates of the support services provided to other departments.

The Corporation of the Town of Newmarket  
 Segment Disclosures - Service Bundle  
 Year ended December 31, 2019

	Public Library Services		Main Street District BIA		Consolidated	
	2019	2018	2019	2018	2019	2018
<b>EXPENSES</b>						
Salaries and wages	\$ 2,587,639	\$ 2,407,333	\$ -	\$ -	\$ 63,905,544	\$ 61,027,715
Materials, good and supplies	302,607	327,626	18,975	32,422	9,680,177	5,969,795
Utilities	95,916	96,630	-	-	4,313,129	4,047,734
Contracted and general services	102,914	110,055	1,712	4,866	40,469,954	38,761,117
Rents and financial	2,057	2,023	-	-	279,934	266,615
Interest on long-term debt	-	-	-	-	2,094,086	2,156,855
Capital repairs and maintenance	134,315	114,570	-	-	7,319,520	7,817,742
Amortization expenses	420,636	313,656	-	-	16,857,430	16,266,869
Allocations	580,100	529,181	-	-	(10,729,902)	(10,190,853)
<b>Total expenditures</b>	<b>4,226,184</b>	<b>3,901,074</b>	<b>20,687</b>	<b>37,288</b>	<b>134,189,872</b>	<b>126,123,589</b>
<b>REVENUES</b>						
Taxation	3,854,536	3,807,822	30,000	30,000	63,622,749	61,193,390
User charges	69,099	76,238	-	-	55,803,009	51,942,646
External non-tax revenues	310,386	273,940	8,178	4,979	23,056,467	24,483,921
(Loss)/Gain on sale of tangible capital assets	-	-	-	-	(222,999)	(91,885)
<b>Total revenues</b>	<b>4,234,021</b>	<b>4,158,000</b>	<b>38,178</b>	<b>34,979</b>	<b>142,259,226</b>	<b>137,528,072</b>
(Loss)/Income From Newmarket Hydro Holdings Inc.	-	-	-	-	(541,634)	838,672
(Loss)/Gain on foreign exchange	-	-	-	-	(543,220)	522,214
<b>Annual Surplus (Deficit)</b>	<b>\$ 7,837</b>	<b>\$ 256,926</b>	<b>\$ 17,491</b>	<b>\$ (2,309)</b>	<b>\$ 6,984,500</b>	<b>\$ 12,765,369</b>

Note: Allocations are based on estimates of the support services provided to other departments.