



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

## **2019 Financial Statements and Auditor's Report Staff Report to Council**

Report Number: 2020-55

Department(s): Financial Services

Author(s): Mike Mayes, Director of Financial Services/Treasurer

Meeting Date: July 20, 2020

### **Recommendations**

1. That the report entitled 2019 Financial Statements and Auditor's Report dated July 20, 2020 be received; and,
2. That the draft 2019 financial statements for The Corporation of the Town of Newmarket and the Town of Newmarket Main Street District BIA; the Financial Statement Discussion and Analysis prepared by staff; and the Report to the Audit Committee on the results of the December 31, 2019 financial statements audits from Deloitte LLP be received; and,
3. That Council approve the 2019 financial statements for The Corporation of the Town of Newmarket and the Town of Newmarket Main Street District BIA as endorsed by the Audit Committee.

### **Executive Summary**

See below.

### **Purpose**

The purpose of this report is to obtain Council approval of the 2019 Financial Statements.

### **Background**

Provincial regulations require annual audits of our financial statements.

Under the Municipal Act, 2001, as amended, municipalities must do the following:

1. A municipality must prepare financial statements in accordance with generally accepted accounting principles (Section 294.1).
2. The Treasurer must report the financial affairs of the municipality to Council (Section 286.(1)).
3. The municipality must appoint a licensed auditor who is responsible for auditing the accounts and transactions of the municipality annually and expressing an opinion on the municipality's financial statements (Section 296.(1)).

The annual audit, performed by Deloitte LLP, is conducted in accordance with generally accepted auditing standards. For 2019, the Auditor's Report, which forms an integral part of the financial statements, has been issued by Deloitte and reflects their opinion, free of any qualifications or conditions, that the financial statements present fairly, in all material respects, the financial position of the Town in accordance with generally accepted accounting principles. The financial activities of the Main Street District BIA, the Newmarket Public Library Board and the Town's proportionate share of Central York Fire Services are consolidated with the financial activities of the Town. The Town's investment in Newmarket Hydro Holdings Inc. (the majority shareholder for Newmarket Tay Hydro) is included on a modified equity basis.

The Consolidated Financial Statements and the Main Street District BIA Financial Statements are issued without restriction as they are presented in accordance with the Municipal Act, 2001, as amended. The format is consistent with the reporting requirements of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Trust Fund Financial Statements are prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

Audit results are reviewed by the Audit Committee.

The Town's Audit Committee membership includes the Deputy Mayor/Regional Councillor, two Members of Council and three appointed citizens. Their mandate is "to assist the Council in maintaining the financial integrity of "the municipality" and this includes reviewing and providing recommendations to Council regarding the annual report and management letter of the External Auditor.

At the Audit Committee meeting of July 14, 2020, Deloitte provided an overview of the audit findings. They informed the Committee that they had not encountered any significant internal control issues.

The Director, Financial Services/Treasurer provided a high-level overview of the financial statements. The financial statements were approved for recommendation by the Audit Committee to Council. The draft Audit Committee motions are:

*That the Audit Committee recommends to Council that the Consolidated Financial Statements year ended December 31, 2019 be approved; and*

*That the Audit Committee recommends to Council that the Main Street District Business Improvement Area Financial Statements year ended December 31, 2019 be approved.*

## **Discussion**

See Background section of report.

## **Conclusion**

The 2019 Financial Statements are prepared by staff, audited by Deloitte and reviewed by the Audit Committee. These statements are now presented to Council for final approval.

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

This report links to Council's Strategic Priority of Long-term Financial Sustainability and ensuring ongoing continuous improvement and a service level analysis for consideration.

## **Consultation**

Finance staff was consulted during the audit process and Deloitte contributed to the content of this report by providing the draft financial statements.

## **Human Resource Considerations**

Not applicable to this report.

## **Budget Impact**

Not applicable to this report.

## **Attachments**

- FSD&A (Financial Statement Discussion and Analysis)
- DRAFT Consolidated Financial Statements of the Corporation of the Town of Newmarket

- DRAFT Financial Statements of Town of Newmarket Main Street District BIA
- Year End Communication Report from the Auditors

## **Approval**

Mike Mayes, CPA, CGA, DPA  
Director, Financial Services/Treasurer

Esther Armchuk, LL.B  
Commissioner, Corporate Services

## **Contact**

For more information on this report, contact Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at [mmayes@newmarket.ca](mailto:mmayes@newmarket.ca)