



**Mike Mayes, Director
Financial Services/Treasurer**

TOWN OF NEWMARKET
395 Mulock Drive
P.O. Box 328
Newmarket, ON L3Y 4X7

www.newmarket.ca
mmayes@newmarket.ca
905.953.5300 Ext: 2102

June 22, 2015

BDO Canada LLP
Chartered Professional Accountants
The Gates of York Plaza
17310 Yonge Street, Unit 11
Newmarket, ON L3Y 7R9
Canada

Dear Sir:

This representation letter is provided in connection with your audit of the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of operations and accumulated surplus, changes in net assets and cash flows for the year then ended of The Corporation of the Town of Newmarket for the purpose of expressing an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position as at December 31, 2014 and the results of operations and cash flows for the year then ended of The Corporation of the Town of Newmarket in accordance with Canadian public sector accounting standards.

We confirm that:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 4, 2013, for the preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards; in particular the consolidated financial statements are fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
4. All events subsequent to the date of the consolidated financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed.
5. The consolidated financial statements of the municipality use appropriate accounting policies that have been properly disclosed and consistently applied.

Information Provided

6. We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
7. We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
 8. The minute books of the municipality are a complete record of all meetings and resolutions of the Council throughout the year and to the present date.
 9. We have disclosed to you all significant matters contained in the minutes of all meetings and resolutions of the Council throughout the year and to the present date.
 10. All transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.
 11. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing consolidated financial statements.
 12. We have identified to you:
 - guarantees;
 - indemnifications against damages, liabilities, costs, charges or expenses suffered or incurred by officers or directors as a result of their service, and/or by any subsidiaries; and
 - non-monetary transactions and transactions for no consideration.
 13. We have disclosed to you the identity of the entity's related parties and the related party relationships and transactions of which we are aware.
 14. We are aware of the environmental laws and regulations that impact our municipality and we are in compliance. There are no known environmental liabilities or contingencies that have not been accrued for or disclosed in the consolidated financial statements.

Fraud and Error

15. We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are

aware of and that affects the entity and involves:

- management;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the consolidated financial statements.

17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's consolidated financial statements communicated by employees, former employees, analysts, regulators, or others.
18. The effects of unadjusted misstatements are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Existence, Completeness and Valuation of Specific Financial Statement Balances

19. All assets, wherever located, to which the municipality had satisfactory title at the year end, have been fairly stated and recorded in the consolidated financial statements. There are no liens or encumbrances on the municipality's assets.
20. All financial instruments have been appropriately recognized and measured in accordance with Canadian public sector accounting standards. Significant assumptions used in arriving at fair value of financial instruments are reasonable and appropriate in the circumstances.
21. Where the value of any asset has been impaired, an appropriate provision has been made in the consolidated financial statements or has otherwise been disclosed to you.
22. The inventories as set out in the consolidated financial statements represent all of the inventories to which the municipality held title as at the balance sheet date. Inventories do not include any goods consigned to the municipality, merchandise billed to customers or any items for which the liability has not been provided in the books. Appropriate provisions have been made for obsolete, slow-moving and defective inventories.
23. The employee future benefit costs, assets and obligation have been determined, accounted for and disclosed in accordance with Canadian public sector accounting standards. The source data and plan provisions provided are complete and accurate. The plans included in the valuation are complete. The determination of the discount rate and the use of specific actuarial assumptions are our best estimate assumptions. We feel that the extrapolations are accurate and have properly reflected the effects of changes and events occurring subsequent to the most recent valuation that had a material effect on the extrapolation.

General Representations

- 24. The nature of all material uncertainties have been appropriately measured and disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.
- 25. There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the consolidated financial statements or financial position of the municipality, except as disclosed in the consolidated financial statements.
- 26. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel. When applicable, these claims have been appropriately disclosed in the consolidated financial statements.
- 27. We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the consolidated financial statements.
- 28. We have disclosed to you all significant customers and/or suppliers of the municipality who individually represent a significant volume of business with the municipality. We are of the opinion that the volume of business (sales, services, purchases, borrowing and lending) done by the municipality with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the municipality.
- 29. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 30. We confirm that operating segments are appropriately identified and disclosed in accordance with Canadian public sector accounting standards.
- 31. No significant matters, other than those disclosed in the consolidated financial statements, have arisen that would require a restatement of the comparative consolidated financial statements.

Yours truly,



Bob Shelton, Chief Administrative Officer

6/19/15
Date



Mike Mayes, Director, Financial Services/Treasurer

June 19/15
Date