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## **2024 Financial Statements and Auditor's Findings Staff Report to Council**

Report Number: 2025-36

Department(s): Financial Services

Author(s): Anita Gibson, Supervisor, Financial Reporting & Analysis

Meeting Date: June 16, 2025

### **Recommendations**

1. That the report entitled 2024 Financial Statements and Auditor's Report dated June 16, 2024, be received; and,
2. That the Draft 2024 Consolidated 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 Audit Findings Report from KPMG LLP be adopted; and,
3. That Council adopt the 2024 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; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Purpose**

The purpose of this report is to obtain Council adoption of the 2024 Financial Statements.

### **Background**

Under the Municipal Act, 2001, as amended, municipalities are required to 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)); and

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 for the year ended December 31, 2024 was performed by KPMG LLP. The audit was conducted in accordance with generally accepted auditing standards. Based on the 2024 Audit Findings Report (Attachment 4), there was no concern or issue identified on accounting treatment and internal controls.

This is the third year of a three-year contract term with KPMG LLP. The contract also includes an option to extend the term for up to two (2) additional periods of two (2) years each.

## **Discussion**

Staff presented the Preliminary Fourth Quarter 2024 Financial Summary to the Committee of the Whole (CoW) on March 17, 2025.

The audit did not identify any material change to the reported results other than accounting for and restating the results of operations in accordance with Canadian Public Sector Accounting Standards.

The Auditor's Report on the 2024 Consolidated Financial Statements of the Corporation of the Town of Newmarket, which forms an integral part of the financial statements, has been issued by KPMG LLP 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 (GAAP).

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.

Audit results were reviewed by the Audit Committee on June 12, 2025. The Town's Audit Committee membership includes three Members of Council and three appointed citizens. Their mandate is to assist Council in maintaining the financial integrity of the

municipality, which includes reviewing and providing recommendations to Council regarding the annual report.

At the Audit Committee meeting, the Supervisor, Financial Reporting & Analysis provided a presentation on the 2024 Financial Statements, highlighting the year-over-year changes between 2024 and 2023 results. As well, the presentation outlined the accounting standard changes PS 3160 – Public Private Partnerships and PS 34000 - Revenue, and new guidelines for PSG–8 Intangible Assets. No adjustments were required to meet the adoption of the standard changes and guideline updates.

The Financial Statements were adopted for recommendation by the Audit Committee to Council. The draft Audit Committee motions are:

1. That the Audit Committee recommends to Council that the Consolidated Financial Statements of The Corporation of Town of Newmarket for the year ended December 31, 2024, be approved; and
2. That the Audit Committee recommends to Council that the Financial Statements of Town of Newmarket Main Street District BIA for the year ended December 31, 2024, be approved.

The 2024 Financial Statements of the Town of Newmarket Public Library Board will be presented to the Library Board on June 18, 2025, for adoption.

## **Consultation**

Finance staff prepared the Financial Statements which were reviewed by KPMG LLP, and subsequently presented to the Audit Committee.

## **Conclusion**

The 2024 Financial Statements were prepared by staff, audited by KPMG LLP, and reviewed by the Audit Committee.

These statements are now presented to Council for final adoption.

## **Council Priority Association**

This report aligns with the following Council Priority: long-term financial sustainability.

## **Human Resource Considerations**

Not applicable.

## **Budget Impact**

Not applicable.

## **Attachments**

Attachment 1 – 2024 Financial Statement Discussion and Analysis (FSD&A)

Attachment 2 - DRAFT 2024 Consolidated Financial Statements of the Corporation of the Town of Newmarket

Attachment 3 - DRAFT 2024 Financial Statements of Town of Newmarket Main Street District BIA

Attachment 4 – 2024 Audit Findings Report

## **Approval for Submission**

Andrea Tang, Director, Financial Services/Treasurer

Esther Armchuk, Commissioner Corporate Services

## **Report Contact**

For more information on this report, contact [info@newmarket.ca](mailto:info@newmarket.ca).