



**Mike Mayes, Director
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November 14, 2014

CORPORATE SERVICES INFORMATION REPORT-FINANCIAL SERVICES-2014-39

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: 2014 Utility Operating Budget Variance Report - Third Quarter

ORIGIN: MFIP Intern

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

COMMENTS

The purpose of this information report is to advise Council on the results of the utility accounts for the period ending September 30, 2014. Year-to-date revenues and expenses excluding transfers were 7.9% and 6.5% lower than budget, respectively. Revenues and expenses came in lower than expected because of lower consumption levels due to the particularly mild and wet summer we experienced.

Since revenues decreased more than expenditures, the year-to-date net revenue is \$529,174 lower than expected. This is a variance of 2.2% of the utility operating budget.

While we budgeted a surplus of \$270,195, this quarter finished with a surplus of \$131,268. No transfers to or from the Rate Stabilization Reserves were made in the 3rd quarter.

Attached is a summary of the third quarter results for the utility accounts.

Year-end projection

Revenues and expenses are projected to end the year under budget. This potential deficit would normally be offset by reducing the transfers to reserves; however, application of Development Charges to debt, as provided for in the new DC Bylaws, should be sufficient to offset any potential deficit (see Financial Services report 2014-49 for further details).

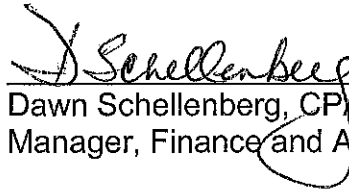


CONTACT

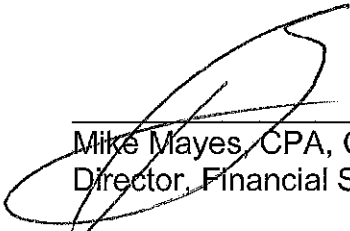
For more information on this report, please contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca.



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Dawn Schellenberg, CPA, CA
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Mike Mayes, CPA, CGA
Director, Financial Services/Treasurer

KY/nh



Anita Moore, AMCT
Commissioner, Corporate Services

Attachment

(1) 2014 Third Quarter Utility Operating Results (1 pg.)

Town of Newmarket

2014 Third Quarter

UTILITY OPERATING RESULTS

Departments / Area	Year-to-date (September 30, 2014)				Full Year Budget
	ACTUAL	BUDGET	VARIANCE		
	\$	\$	\$	%	
Water Rate Group					
<i>Revenues</i>	10,925,537	11,572,011	(646,474)	-5.6%	15,204,386
<i>Expenditures</i>	9,554,979	9,913,221	358,242	3.6%	13,176,476
Net	1,370,559	1,658,790	(288,231)	-21.0%	2,027,910
Wastewater Rate Group					
<i>Revenues</i>	10,881,218	12,097,295	(1,216,077)	-10.1%	15,888,786
<i>Expenditures</i>	9,712,881	10,688,016	975,135	9.1%	14,186,195
Net	1,168,337	1,409,279	(240,942)	-17.1%	1,702,591
Allocations					
<i>Revenues</i>	-	-	-	0.0%	-
<i>Expenditures</i>	1,627,132	1,627,132	0	0.0%	2,169,512
Net	(1,627,132)	(1,627,132)	0	0.0%	(2,169,512)
Transfer To/ From Rate Stabilization Reserves					
<i>Revenues</i>	-	-	-	0.0%	-
<i>Expenditures</i>	780,495	1,170,742	390,247	33.3%	1,560,989
Net	(780,495)	(1,170,742)	390,247	0.0%	(1,560,989)
GRAND-TOTAL					
<i>Revenues</i>	21,806,755	23,669,306	(1,862,551)	-7.9%	31,093,172
<i>Expenditures</i>	21,675,487	23,399,111	1,723,624	7.4%	31,093,172
Net	131,268	270,195	(138,927)	-51.4%	-