Town of Newmarket
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Second Quarter 2026 Financial Update

Information Report

Report Number: INFO-2026-25

Department(s): Financial Services

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of the report is to:

- Provide a financial status update on the 2026 Budget for the second quarter ending June 30, 2026.

Background

Council approved the 2026 budget on December 8, 2025. On April 20, 2026, Council approved Preliminary Fourth Quarter Financial Update which outlined changes to the 2026 capital program, increasing from the original approved budget of $58.7 million to $79.4 million. On May 25, 2026, Council approved an additional capital budget of $0.61 million for road safety initiative. The revised 2026 budget comprised of the following:

Components	**$ in millions**
Tax-supported operating budget	$114.0
Rate-supported operating budgets	67.9
Capital Budget	80.0
Total	**$261.9**

Discussion

This report outlines the financial results on each component of the Town's budget for the second quarter ending June 30, 2026

Tax-Supported Operating Budget

At the end of the second quarter, revenues were higher than budget by $1.5 million, and expenditures were higher than budget by $0.6 million resulting in a net favourable variance of $0.9 million.

The favourable variance in revenues was mainly due to higher bank interest income and tax penalties and interest revenue.

Expenditures were unfavourable due to additional software licenses, sidewalk maintenance and timing differences such as consulting and training. This unfavourable balance was offset by wage gapping from temporary staffing vacancies.

Central York Fire Services ("CYFS")

CYFS incurred a net favourable variance of $0.2 million mainly due to temporary vacancies and approved leave of absences. The second quarter results were presented to the Joint Council Committee (JCC) on September 1, 2026.

Newmarket Public Library ("Library")

The Library has a balanced budget in the second quarter of 2026. The Library will present its Q2 financial results to the Library Board on September 16, 2026.

Rate-Supported Operating Budget

At the end of the second quarter, water and wastewater incurred a net favourable variance of $0.8 million. This was mainly due to temporary staff vacancies, lower expenditures in the CCTV program, emergency management fees and general maintenance & repairs due to timing. Expenditures on these programs are anticipated to be incurred throughout the year.

Stormwater

Stormwater incurred a net favourable variance of $0.1 million. It is anticipated that expenditures in the program will incur throughout the year.

Capital Budget

Capital expenditures of $17.3 million were incurred at the end of the second quarter against the approved capital program of $80.0 million. Capital expenditures will continue to increase during peak construction season over the summer months.

Consultation

Business units were consulted on the financial results.

Conclusion

This report provides a summary of the second quarter financial results on the tax-supported operating budget, rate-supported operating budgets and capital budget. Staff will continue to monitor the budgets and provide quarterly financial updates. Third Quarter Financial Update report will be tabled to Committee of the Whole (CoW) in November 2026.

Council Priority Association

This report aligns with the following Council Priority: Community and Economic Vibrancy

Human Resource Considerations

None

Budget Impact

The second quarter financial result shows a $0.9 million net favourable variance, driven by higher income (bank and tax), temporary vacancy wage gapping and expenditures timing. Staff will monitor the budget and report third quarter financial results to CoW in November 2026.

Attachments

Appendix 1 – 2026 Second Quarter Operating Results.

Appendix 2 – 2026 Second Quarter Water, Wastewater and Stormwater Operating Results

Appendix 3 – 2026 Second Quarter Capital Expenditures

Approval for Distribution

Andrea Tang, CPA, CA, Director, Financial Services/Treasurer, Financial Services

Esther Armchuk, LL.B, Commissioner, Corporate Services

Report Contact

For more information on this report, contact info@newmarket.ca.

2026 Second Quarter

APPENDIX 1 - OPERATING RESULTS

Departments	Year-to-Date to June 30, 2026 ACTUAL $	BUDGET $	VARIANCE $	Full Year Budget $
Members of Council				
Revenues	-	-	-	-
Expenditures	457,005	463,425	6,420	955,283
Net surplus/(deficit)	**(457,005)**	**(463,425)**	**6,420**	**(955,283)**
C.A.O. - Office				
Revenues	546,883	599,442	(52,559)	1,175,605
Expenditures	2,951,686	3,204,836	253,150	5,268,770
Net surplus/(deficit)	**(2,404,803)**	**(2,605,394)**	**200,591**	**(4,093,164)**
Corporate Services				
Revenues	1,324,392	1,279,873	44,519	2,559,743
Expenditures	9,828,708	9,410,882	(417,826)	19,306,771
Net surplus/(deficit)	**(8,504,317)**	**(8,131,009)**	**(373,308)**	**(16,747,029)**
Fire Services				
Revenues	165,879	197,248	(31,369)	394,503
Expenditures	7,801,647	8,038,664	237,017	18,733,212
Net surplus/(deficit)	**(7,635,769)**	**(7,841,416)**	**205,647**	**(18,338,709)**
Community Services				
Revenues	5,552,966	4,765,549	787,417	11,465,197
Expenditures	17,393,890	16,641,646	(752,244)	35,559,714
Net surplus/(deficit)	**(11,840,924)**	**(11,876,097)**	**35,173**	**(24,094,517)**
Development & Infra. Services				
Revenues	3,298,287	3,499,215	(200,929)	7,406,141
Expenditures	8,789,248	9,328,360	539,112	19,945,491
Net surplus/(deficit)	**(5,490,961)**	**(5,829,145)**	**338,184**	**(12,539,350)**
Library Services				
Revenues	73,006	37,683	35,323	149,084
Expenditures	2,021,314	1,982,002	(39,312)	4,066,854
Net surplus/(deficit)	**(1,948,307)**	**(1,944,319)**	**(3,988)**	**(3,917,770)**
General Government				
Revenues	3,254,215	2,318,830	935,385	4,837,661
Expenditures	4,924,227	4,495,658	(428,569)	8,966,729
Net surplus/(deficit)	**(1,670,012)**	**(2,176,828)**	**506,816**	**(4,129,068)**
Debt Servicing				
Revenues	393,044	393,044	-	786,087
Expenditures	1,286,685	1,286,685	-	2,573,367
Net surplus/(deficit)	**(893,641)**	**(893,641)**	**-**	**(1,787,280)**
Property Taxes				
Revenues	73,779,754	73,779,754	-	83,546,627
Expenditures	-	-	-	-
Net surplus/(deficit)	**73,779,754**	**73,779,754**	**-**	**83,546,627**
Allocations				
Revenues	-	-	-	-
Expenditures	(1,451,567)	(1,451,567)	-	(3,055,543)
Net surplus/(deficit)	**1,451,567**	**1,451,567**	**-**	**3,055,543**
GRAND-TOTAL				
Revenues	88,388,426	86,870,638	1,517,788	112,320,648
Expenditures	54,002,843	53,400,591	(602,252)	112,320,648
Net surplus/(deficit)	**34,385,583**	**33,470,047**	**915,536**	**-**

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APPENDIX 2 - Water, Wastewater & Stormwater Operating Results

Area	Year-to-date (June 30, 2026)				Full Year Budget
	Actual	Budget	Variance		
	$	$	$	%	$
Water Rate Group					
Revenues	11,708,625	11,758,558	(49,933)	-0.4%	23,746,540
Internal Allocations	691,652	691,652	-	0.0%	1,383,303
Expenditures	9,866,439	10,764,701	898,262	8.3%	21,950,101
Net	**1,150,534**	**302,205**	**848,329**		**413,136**
Wastewater Rate Group					
Revenues	13,742,226	13,754,279	(12,053)	-0.1%	27,778,957
Internal Allocations	635,495	635,495	-	0.0%	1,271,000
Expenditures	12,448,306	12,405,647	(42,659)	-0.3%	25,076,576
Net	**658,425**	**713,137**	**(54,712)**		**1,431,381**
Storm Water Rate Group					
Revenues	3,941,717	3,941,717	-	0.0%	10,332,758
Internal Allocations	116,975	116,975	-	0.0%	233,955
Expenditures	4,420,444	4,510,499	90,055	2.0%	9,592,711
Net	**(595,701)**	**(685,757)**	**90,055**		**506,092**
GRAND-TOTAL					
Revenues	29,392,568	29,454,554	(61,986)	-0.2%	61,858,255
Expenditures	28,179,311	29,124,969	945,658	3.2%	61,858,255
Net	**1,213,258**	**329,585**	**883,672**		**-**

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APPENDIX 3 - CAPITAL EXPENDITURES

Commission / Department / Area	Actual 2026 ($)	Annual Budget 2026 ($)	% of Spending
Corporate Services			
Information Technology	1,499,591	6,915,416	21.7%
Asset Management	-	240,000	0.0%
General Government	-	940,000	0.0%
Total	**1,499,591**	**8,095,416**	**18.5%**
Community Services			
Facilities	1,792,915	6,599,000	27.2%
Parks	1,375,195	12,290,685	11.2%
Total	**3,168,110**	**18,889,685**	**16.8%**
Development & Infrastructure Services			
Planning & Building	106,004	480,062	22.1%
Public Works (Fleet, Roads, Water, Wastewater)	1,501,073	8,156,560	18.4%
Engineering	9,684,429	36,570,594	26.5%
Total	**11,291,506**	**45,207,216**	**25.0%**
Library Services			
	-	326,866	0.0%
Total	**-**	**326,866**	**0.0%**
Central York Fire Services			
	1,364,650	7,498,000	18.2%
Total	**1,364,650**	**7,498,000**	**18.2%**
GRAND TOTAL	**17,323,857**	**80,017,183**	**21.7%**

SUMMARY

Total Standard Program	**7,595,251**	**41,414,983**	**18.3%**
Total Major Projects	**9,728,606**	**38,602,200**	**25.2%**
Total	**17,323,857**	**80,017,183**	**21.7%**