



Administrative Report

To: Warden MacDonald and Members of Essex County Council

From: Melissa Ryan, CPA, Director, Financial Services/Treasurer

Date: Wednesday, August 6, 2025

Subject: Financial Projected Results of Operations 2025

Report #: 2025-0806-FIN-R20-MR

Purpose

To report the projected results of operations for the fiscal period ending December 31, 2025.

Background

In accordance with established financial management practices, a mid-year projection of the Corporation's operating and capital results is completed using year-to-date actuals and departmental forecasts. This projection assists in identifying trends and emerging financial issues and supports informed decision-making for the remainder of the fiscal year.

Discussion

Based on January to June year-to-date activity and discussions with the senior leadership team, the Corporation is projected to be in a net surplus position of approximately \$752,650. Operationally, the Corporation is projected to be in a surplus position of approximately \$400,670, while the capital programs project a surplus of \$351,980.

It is important to highlight that projections are predicated on a number of significant assumptions, namely:

- Winter control activities for the remainder of the year are projected to be in line with historical trends;
- Social services caseloads and Social Housing costs remaining favourable;
- No significant tax write-offs;

- Stable returns on investments within the Corporation's investment portfolio; and
- A stabilization of existing inflationary conditions.

Factors contributing to the projected year-end position are highlighted below by department:

Community Services	\$6,840
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The Community Services division is projected to finish the year with a minor surplus of \$6,840 primarily due to minor salary gapping across the department.

Sun Parlor Home	\$862,930
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This surplus is primarily attributable to higher than anticipated provincial per diem funding not known at the time of budget development (estimated at \$517,480); staff vacancies and associated benefit savings; and continued use of the County's Safe Restart Fund to offset COVID-19-related operating expenses. All available provincial funding will be fully utilized to support operations at the Home.

Emergency Medical Services	\$107,410
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EWEMS is projected to end the year in a modest surplus position, largely driven by reduced linen supply costs, legal expense savings resulting from in-house legal support provided by County legal staff and favourable benefit rates.

Infrastructure and Planning Services	(\$785,610)
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Infrastructure and Planning Services is expected to end the year with a deficit of (\$785,610).

The main reason for the deficit is due primarily to elevated salt usage and winter control costs in early 2025 which were significantly higher than the past 5-year average.

Library Services	\$NIL
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Library Services is expected to end the year on budget. There are no significant variances to report.

General Government

\$357,200

The projected surplus is the result of salary gapping in corporate administration and IT, and deferred IT projects that will not proceed in 2025.

External Commitments

\$203,880

The 2025 External Commitment program is projecting a surplus of \$203,880.

The surplus in this area is largely due to under-expenditures within the Social Housing Operations line item.

Closing Comments

Overall, the Corporation's financial position at mid-year is positive, supported by favourable funding variances, staffing savings, and conservative budget assumptions. However, uncertainty remains around key cost drivers such as winter control and social services caseloads. Any material change in these areas could impact the year-end position and outlook for 2026.

Financial Services will continue to work closely with departments to monitor results and identify cost-saving opportunities. A subsequent update will be provided later in the year if significant variances emerge.

Financial Implications

In accordance with the Corporation's Reserve Management Policy, surpluses not identified for specific application are to be transferred to the Rate Stabilization Reserve at year-end. Conversely, deficits are to be mitigated through recommended withdraws from appropriate reserves including the Rate Stabilization Reserve at year-end.

Consultations

- Financial Analysts
- Heidi McLeod, Manager, Accounting - Administration/Deputy Treasurer
- County of Essex Senior Leadership Team (SLT)
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Strategic Plan Alignment

Working as Team Essex County	Growing as Leaders in Public Service Excellence	Building a Regional Powerhouse
<input type="checkbox"/> Scaling Sustainable Services through Innovation <input type="checkbox"/> Focusing “Team Essex County” for Results <input type="checkbox"/> Advocating for Essex County’s Fair Share	<input type="checkbox"/> Being an Employer with Impact <input type="checkbox"/> A Government Working for the People <input checked="" type="checkbox"/> Promoting Transparency and Awareness	<input type="checkbox"/> Providing Reliable Infrastructure for Partners <input type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County <input type="checkbox"/> Harmonizing Action for Growth <input type="checkbox"/> Advancing Truth and Reconciliation

Recommendation

That Essex County Council receive report number 2025-0806-FIN-R20-MR, Financial Projected Results of Operations 2025 as information.

Approvals

Respectfully Submitted,

Melissa Ryan

Melissa Ryan, CPA, Director, Financial Services/Treasurer

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
N/A	N/A