Committee of the Whole

Meeting Date: April 28, 2026

Submitted by: Nikki Nourse, Director of Finance / County Treasurer

Subject: Q1 Performance Report

BACKGROUND:

The Middlesex County Budget is a consolidated financial plan that supports Council-approved operations, service delivery, and capital investment across all County departments. The approved budget reflects known economic conditions, funding assumptions, legislated responsibilities, and planned infrastructure priorities at the time of adoption.

Quarterly variance reporting provides Council with ongoing financial oversight by comparing actual year-to-date results against approved budget targets. These reports assist in identifying emerging pressures, timing variances, operational trends, and the progress of capital project execution.

This report presents the County's financial performance for the period ending March 31, 2026, and provides an initial assessment of operating and capital activity for the first quarter of the fiscal year. This analysis supports Council's stewardship role under the Municipal Act, 2001 and reinforces the County's commitment to transparency, responsible financial management, and long-term fiscal sustainability.

ANALYSIS:

The 2026 Q1 Performance Report provides Council with an early-year snapshot of the County's financial position. As a general benchmark, many service areas would be expected to be near 25% of budget utilization by the end of the first quarter, subject to the timing of grants, seasonal operations, transfers, internal allocations, and one-time transactions.

Overall, first quarter results indicate the County remains in a stable financial position, with no significant corporate-wide operating pressures identified at this time. Most notable variances are attributable to normal timing differences rather than underlying budget concerns.

The following summary tables provide Council with an overview of the County's year-to-date financial performance compared to the approved 2026 budget, including separate presentation of operating results net of capital activity.

Each column is interpreted as follows:

- 2026 Actual represents revenues and expenditures recorded year-to-date.
- 2026 Budget reflects the full-year budget approved by Council.
- % of Budget Spent shows the portion of the annual budget realized as of quarter-end.
- Variance ($) reports the difference between year-to-date actuals and annual budget.
- Variance (%) expresses that variance as a percentage of budget.
- Net represents the difference between revenues and expenditures. The County's approved annual net position is $0 in accordance with balanced budget requirements under the Municipal Act, 2001.

Total - Including Capital Expenses	2026 Actual	2026 Budget	% of Budget Spent	Variance ($)	Variance (%)
Revenue	$67,778,865	$201,460,841	34%	$133,681,976	66%
Expenditure	$67,535,884	$201,460,841	34%	$133,924,958	66%
Net	242,982	-		**-$242,982**	

Total - Net of Capital Expenses	2026 Actual	2026 Budget	% of Budget Spent	Variance ($)	Variance (%)
Revenue	40,074,223	$173,756,199	23%	$133,681,976	77%
Expenditure	39,831,241	$173,756,199	23%	$133,924,958	77%
Net	242,982	-		**-$242,982**	

The totals including capital expenses show year-to-date revenue of 34% of budget and expenditures of 34% of budget. These figures are influenced by the way capital activity is budgeted and recorded at Middlesex County.

Capital project funding is budgeted in full at the beginning of the year through transfers to capital, with corresponding revenue sources recognized in support of the approved capital program. As a result, the combined operating and capital totals can appear ahead of prorated expectations, particularly in the early part of the year, and may not fully reflect underlying operating performance.

For this reason, an additional summary has been provided net of capital expenditures to present a clearer view of ongoing operations. When capital activity is excluded, revenues are tracking at 23% of budget and operating expenditures at 23% of budget, which is generally consistent with first quarter expectations. A detailed service area variance report is attached hereto as *Appendix 'A'*.

Appendix 'B' provides a consolidated summary of the County's approved 2026 capital program and related activity as of March 31, 2026. The appendix outlines approved budgets, year-to-date expenditures, remaining balances, financing adjustments, and project status, providing Council with clear visibility into capital delivery and funding sources.

As of March 31, 2026, approximately $1.81 million has been incurred against the approved capital budget of $27.33 million. First quarter spending levels are consistent with expectations, as many projects remain in the planning, procurement, design, or tendering stages, with a significant portion of construction activity typically occurring later in the year.

As the County is currently in the process of closing the 2025 fiscal year, certain capital projects may remain active and continue into fiscal 2026. Any remaining balances, requiring carry forwards, or funding adjustments related to prior-year projects will be identified through future quarterly reports.

To assist Council in interpreting Appendix 'B', the following fields are provided for each project:

- Total Budget 2026 – Approved capital funding for the fiscal year.
- Actual – March 2026 – Expenditures incurred to March 31, 2026.
- Capital Expenses – Capital costs recognized year-to-date.
- Transfer To/From Operating – Capital – Internal funding transfers or adjustments.
- Transfers to Reserves and Reserve Funds – year-to-date movements where funding has been returned to reserves or allocated in accordance with the Count's TCA financing policies.
- Balance Surplus/(Deficit) – Remaining funding available to complete the project.
- Project Status – Current stage of the project (e.g., In Progress, Complete).

Several projects have advanced in the first quarter, including fleet replacements, information technology initiatives, and Middlesex-London Paramedic Services equipment purchases. At this time, no material concerns have been identified with overall capital program delivery, and project progress will continue to be monitored through future quarterly reports

FINANCIAL IMPLICATIONS:

This report is for information purposes and does not require any immediate budget amendment.

Based on first quarter results, the County's 2026 operating budget remains manageable within current approved funding levels. While several variances exist across service areas, they are attributable to normal timing differences, seasonal spending patterns, grant recognition timing and internal allocations.

Any material risks or recommended budget adjustments identified through continued monitoring will be brought forward to Council in future quarterly reports.

ALIGNMENT WITH STRATEGIC FOCUS:

This report aligns with the following Strategic Focus, Goals, or Objectives:

Strategic Priority	Goal	Objectives
Collaboration & Partnerships 	Strengthen collaboration with local municipalities and regional partners to improve economic efficiency, enhance service delivery, and support regional development in alignment with community priorities	• Improve communication and transparency through open engagement, accessible information, and informed decision-making.
Sustainable Infrastructure Development 	Expand and upgrade critical infrastructure to enhance resilience, efficiency, and accessibility while prioritizing sustainability and long-term cost-effectiveness	• Enhance and maintain road infrastructure to improve connectivity, traffic efficiency, and encourage active transportation, while preserving the unique character of municipal main streets. • Pursue funding and grants for infrastructure projects to deliver lasting benefits while providing predictable costs for taxpayers. • Invest in sustainable infrastructure opportunities that incorporate climate resilience measures to mitigate extreme weather impacts and reduce overall environmental impact.

Strategic Priority	Goal	Objectives
Adaptability and Agility 	Modernize the County’s administrative capabilities to strengthen decision-making, improve service delivery, and achieve better community outcomes	• Transform, modernize and continuously improve administrative systems and processes to increase efficiency and enhance the experience of residents and partners. • Strengthen internal administrative capabilities to ensure key support services have the necessary resources to meet community needs and support organizational growth.

RECOMMENDATION:

THAT the 2026 Q1 Performance Report be received for information.

Appendix 'A'

2026 Performance Report – Q1					
Service Area	**2026 Actual**	**2026 Budget**	**% of Budget Spent**	**Variance ($)**	**Variance (%)**
Governance					
Revenue	$176,815	$707,260	25%	$530,445	75%
Expenditure	$159,991	$707,260	23%	$547,269	77%
Net	$16,824	$0		-$16,824	
CAO					
Revenue	$94,226	$376,903	25%	$282,677	75%
Expenditure	$100,887	$376,903	27%	$276,016	73%
Net	-$6,661	$0		$6,661	
Legislative Services					
Revenue	$143,660	$574,950	25%	$431,290	75%
Expenditure	$149,271	$574,950	26%	$425,679	74%
Net	-$5,611	$0		$5,611	
Human Resources					
Revenue	$216,445	$865,780	25%	$649,335	75%
Expenditure	$177,574	$865,780	21%	$688,206	79%
Net	$38,871	$0		-$38,871	
Legal Services					
Revenue	$137,993	$801,971	17%	$663,978	83%
Expenditure	$204,627	$801,971	26%	$597,344	74%
Net	-$66,635	$0		$66,635	
Financial Services					
Revenue	$1,151,678	$5,033,832	23%	$3,591,116	75%
Expenditure	$1,196,286	$5,033,832	24%	$3,546,508	76%
Net	-$44,608	$0		$44,608	
Procurement Services					
Revenue	$65,135	$260,539	25%	$195,404	75%
Expenditure	$60,485	$260,539	23%	$200,054	77%
Net	$4,650	$0		-$4,650	
Facilities					
Revenue	$552,000	$2,094,718	26%	$1,542,718	74%
Expenditure	$514,129	$2,094,718	25%	$1,580,589	75%
Net	$37,871	$0		- 37,871	

2025 Performance Report - Q3					
Service Area	**2025 Actual**	**2025 Budget**	**% of Budget Spent**	**Variance ($)**	**Variance (%)**
Community Transportation					
Revenue	$337,033	$1,325,114	25%	$988,081	79%
Expenditure	$337,033	$1,325,114	25%	$988,081	75%
Net	$0	$0		$0	
Planning Services					
Revenue	$502,591	$2,000,862.00	25%	$1,498,272	75%
Expenditure	$590,264	$2,000,862.00	30%	$1,410,598	70%
Net	-$87,674	$0.00		$87,674	
Forestry					
Revenue	$45,628	$182,030.00	25%	$136,403	75%
Expenditure	$49,083	$182,030.00	27%	$132,947	73%
Net	-$3,456	$0.00		$3,456	
Economic Development					
Revenue	$356,434	$1,496,135.00	24%	$1,139,701	76%
Expenditure	$196,790	$1,496,135.00	13%	$1,299,345	87%
Net	$159,644	$0.00		-$159,644	
ITS					
Revenue	$508,454	$2,327,245.00	22%	$1,818,791	78%
Expenditure	$672,029	$2,327,245.00	29%	$1,655,216	71%
Net	-$163,574	$0.00		$163,574	
Children’s Services					
Revenue	$6,939,674	$24,543,940.27	28%	$17,604,266	72%
Expenditure	$6,987,345	$24,543,940.27	28%	$17,556,595	72%
Net	-$47,671	$0.00		$47,671	
Ontario Works					
Revenue	$1,423,132	$5,692,528.53	25%	$4,269,397	75%
Expenditure	$1,323,353	$5,692,528.53	23%	$4,369,176	77%
Net	$99,779	$0.00		-$99,779	
Social Housing					
Revenue	$1,857,737	$7,430,946.00	25%	$5,573,210	75%
Expenditure	$1,857,737	$7,430,946.00	25%	$5,573,210	75%
Net	$0	$0.00		$0	
Community Well-Being & Support Initiatives					
Revenue	$287,648	$1,268,736.00	23%	$981,088	77%
Expenditure	$287,648	$1,268,736.00	23%	$981,088	77%
Net	$0	$0.00		$0	

2025 Performance Report - Q3					
Service Area	**2025 Actual**	**2025 Budget**	**% of Budget Spent**	**Variance ($)**	**Variance (%)**
Transportation Services					
Revenue	$25,567,810	$32,314,714.00	79%	$6,746,904	21%
Expenditure	$25,725,461	$32,314,714.00	80%	$6,589,253	20%
Net	-$157,652	$0.00		$157,652	
Emergency Management					
Revenue	$215,786	$863,143	25%	$647,357	75%
Expenditure	$218,541	$863,143	25%	$644,602	75%
Net	-$2,755	$0		2,755	
Strathmere Lodge					
Revenue	$6,269,093	$22,815,931	27%	$16,546,838	73%
Expenditure	$6,243,710	$22,815,931	27%	$16,572,221	73%
Net	$25,383	$0		- 25,383	
Lodge - Debenture					
Revenue	$445,113	$445,113	100%	$0	0%
Expenditure	$445,113	$445,113	100%	$0	0%
Net	$0	$0		$0	
Library Services					
Revenue	$1,722,445	$6,726,932	26%	$5,004,487	74%
Expenditure	$1,558,013	$6,726,932	23%	$5,168,919	77%
Net	$164,432	$0		-$164,432	
EarlyON					
Revenue	$141,247	$564,989	25%	$423,742	75%
Expenditure	$116,395	$564,989	21%	$448,594	79%
Net	$24,852	$0		-$24,852	
MLHU					
Revenue	$530,336	$2,121,344	25%	$1,591,008	75%
Expenditure	$487,718	$2,121,344	23%	$1,633,626	77%
Net	$42,617	$0		-$42,617	
MLPS					
Revenue	$18,045,755	$78,625,186	23%	$60,579,431	77%
Expenditure	$17,876,401	$78,625,186	23%	$60,748,785	77%
Net	$169,354	$0		-$169,354	

Appendix 'B'

Middlesex County 2026 Capital Projects								
Expenditures	**Capital Project No.**	**Total Budget 2026**	**Actual - March 2026**	**Capital Expenses**	**Transfer to/from Operating - Capital**	**Transfer to Reserves & Reserve Funds**	**Balance Surplus/ (Deficit)**	**Project Status**
Governance								
ITS Annual Capital	2026-G-01	**$20,000**	$0	$0	$0	$0	**$20,000**	In progress
Archives Study	2026-G-02	**$125,000**	$0	$0	$0	$0	**$125,000**	In progress
Legislative Services								
ITS Annual Capital	2026-LS-01	**$28,200**	$9,933	$9,933	$0	$0	**$18,267**	In progress
Human Resources								
ITS Annual Capital	2026-HR-01	**$7,400**	$0	$0	$0	$0	**$7,400**	In progress
Legal Services								
ITS Annual Capital	2026-Legal-01	**$9,000**	$8,898	$8,898	$0	$0	**$102**	In progress
Financial Services								
ITS Annual Capital	2026-FS-01	**$17,200**	$11,866	$11,866	$0	$0	**$5,334**	In progress
Planning & Development								
ITS Annual Capital	2026-PD-01	**$18,400**	$8,706	$8,706	$0	$0	**$9,694**	In progress
Plotter	2026-PD-02	**$20,000**	$0	$0	$0	$0	**$20,000**	In progress
Professional Services Line	2026-PD-03	**$40,000**	$172	$172	$0	$0	**$39,828**	In progress
Economic Development								
ITS Annual Capital	2026-ED-01	**$6,000**	$264	$264	$0	$0	**$5,736**	In progress
ITS								
ITS Annual Capital	2026-ITS-01	**$100,000**	$51,925	$4,425	$0	$47,500	**$48,075**	In progress
Human Services								
ITS Annual Capital	2026-HS-01	**$7,600**	$1,406	$1,406	$0	$0	**$6,194**	In progress
EarlyON								
ITS Annual Capital	2026-E-01	**$2,100**	$1,322	$1,322	$0	$0	**$778**	In progress

Middlesex County 2026 Capital Projects								
Expenditures	**Capital Project No.**	**Total Budget 2026**	**Actual - March 2026**	**Capital Expenses**	**Transfer to/from Operating - Capital**	**Transfer to Reserves & Reserve Funds**	**Balance Surplus/ (Deficit)**	**Project Status**
Lodge								
ITS Annual Capital	2026-Lodge-01	**$119,000**	$15,813	$15,813	$0	$0	**$103,187**	In progress
Ductless Air Conditioning - (Building & Property)	2026-Lodge-02	**$25,000**	$0	$0	$0	$0	**$25,000**	In progress
Flooring Replacement - (Building & Property)	2026-Lodge-03	**$93,000**	$0	$0	$0	$0	**$93,000**	In progress
Boilers - (Building & Property)	2026-Lodge-04	**$80,000**	$0	$0	$0	$0	**$80,000**	In progress
Blixer - Food Texture - (Dietary)	2026-Lodge-05	**$7,000**	$0	$0	$0	$0	**$7,000**	In progress
Commercial Coffee Makers - (Dietary)	2026-Lodge-06	**$8,200**	$0	$0	$0	$0	**$8,200**	In progress
Resident Lift Equipment (3) - (Nursing)	2026-Lodge-07	**$36,000**	$2,803	$2,803	$0	$0	**$33,197**	In progress
Resident Beds (10) - (Nursing)	2026-Lodge-08	**$45,000**	$0	$0	$0	$0	**$45,000**	In progress
Specialized Shower Chair (1) - (Nursing)	2026-Lodge-09	**$5,000**	$0	$0	$0	$0	**$5,000**	In progress
Library Services								
ITS Annual Capital	2026-Library-01	**$102,500**	$8,680	$8,680	$0	$0	**$93,820**	In progress
Delivery Van Replacement	2026-Library-02	**$20,000**	$20,000	$0	$0	$20,000	**$0**	Complete
Thorndale Service Desk	2026-Library-03	**$30,000**	$0	$0	$0	$0	**$30,000**	In progress
MLPS								
Stretchers (10)	2026-MLPS-01	**$700,000**	$534,017	$534,017	$0	$0	**$165,983**	In progress
Ambulances (10)	2026-MLPS-02	**$2,832,134**	$706,795	$706,795	$0	$0	**$2,125,339**	In progress
ERV (2)	2026-MLPS-03	**$263,429**	$0	$0	$0	$0	**$263,429**	In progress
Defibrillators	2026-MLPS-04	**$489,600**	$98,166	$98,166	$0	$0	**$391,434**	In progress
Lucas Devices (5)	2026-MLPS-05	**$79,591**	$0	$0	$0	$0	**$79,591**	In progress
EPCR & Mapping (iPads) (75)	2026-MLPS-06	**$129,030**	$26,591	$26,591	$0	$0	**$102,439**	In progress
Pack-Racks (10)	2026-MLPS-07	**$70,000**	$0	$0	$0	$0	**$70,000**	In progress

Middlesex County 2026 Capital Projects								
Expenditures	**Capital Project No.**	**Total Budget 2026**	**Actual - March 2026**	**Capital Expenses**	**Transfer to/from Operating - Capital**	**Transfer to Reserves & Reserve Funds**	**Balance Surplus/ (Deficit)**	**Project Status**
Transportation Services								
ITS Annual Capital	2026-TS-01	**$27,800**	$9,124	$9,124	$0	$0	**$18,676**	In progress
Road Construction								
Pike Road (4.4km Reconstruction)	2026-TS-02	**$2,000,000**	$18,860	$18,860	$0	$0	**$1,981,140**	In progress
Road Rehabilitation								
Hagerty Rd (CR 1) Longwoods Rd (CR 2) Wardsville (2.4km Mill & Pave - Urban)	2026-TS-03	**$750,000**	$0	$0	$0	$0	**$750,000**	In progress
Thames Rd (CR 8) from Longwoods Rd (CR 2) to Elgin County (11km CIPR - Paved Shoulder)	2026-TS-04	**$1,600,000**	$167	$167	$0	$0	**$1,599,833**	In progress
Parkhill Dr (CR 18) from Grand Bend Dr (CR 81) to Lambton (22.2km Single Lift - Paved Shoulder)	2026-TS-05	**$3,020,000**	$455	$455	$0	$0	**$3,019,545**	In progress
Gore Rd (CR 25) from London to Mill Road (7.6km Single Lift - Paved Shoulder)	2026-TS-06	**$1,200,000**	$0	$0	$0	$0	**$1,200,000**	In progress
Putnam Rd (CR 30) from Crampton Dr to Elgin County (7.6km Single Lift - Paved Shoulder)	2026-TS-07	**$1,350,000**	$239	$239	$0	$0	**$1,349,761**	In progress
Fallon Drive (CR 47) from Saintsbury Line (CR 47) to Hwy 23 (8.4km CIPR - Paved Shoulder)	2026-TS-08	**$1,600,000**	$335	$335	$0	$0	**$1,599,665**	In progress
Glendon Drive (CR 14) median Old River Rd to Kilworth (0.5km Centre lane Concrete Median - Lane Widening)	2026-TS-09	**$350,000**	$0	$0	$0	$0	**$350,000**	In progress
Partnerships								
Thorndale Road/King Street (CR 28) Nissouri Road to Thorndale	2026-TS-10	**$1,700,000**	$0	$0	$0	$0	**$1,700,000**	In progress

Middlesex County 2026 Capital Projects								
Expenditures	**Capital Project No.**	**Total Budget 2026**	**Actual - March 2026**	**Capital Expenses**	**Transfer to/from Operating - Capital**	**Transfer to Reserves & Reserve Funds**	**Balance Surplus/ (Deficit)**	**Project Status**
Structures & Special Projects								
CNR Overpass CR 38	2026-TS-11	**$1,400,000**	$51,301	$51,301	$0	$0	**$1,348,699**	In progress
Plover Mills Bridge CR 16	2026-TS-12	**$2,000,000**	$70,671	$70,671	$0	$0	**$1,929,329**	In progress
Troops Bridge (19-335) Glendon Drive	2026-TS-13	**$550,000**	$3,504	$3,504	$0	$0	**$546,496**	In progress
Culvert 19-517 Calvert Drive	2026-TS-14	**$160,000**	$0	$0	$0	$0	**$160,000**	In progress
Catherine Street and Dorchester Road municipal drains	2026-TS-15	**$250,000**	$0	$0	$0	$0	**$250,000**	In progress
Bridge Inspections - Elgin County (Walkers Bridge & Willeys Bridge)	2026-TS-16	**$100,000**	$0	$0	$0	$0	**$100,000**	In progress
Fuel System Upgrades	2026-TS-17	**$140,000**	$0	$0	$0	$0	**$140,000**	In progress
Future Engineering	2026-TS-18	**$100,000**	$1,119	$1,119	$0	$0	**$98,881**	In progress
Municipal Drains	2026-TS-19	**$300,000**	$16,031	$16,031	$0	$0	**$283,969**	In progress
Fleet								
L-1 Tractor/Loader	2026-TS-20	**$195,000**	$0	$0	$0	$0	**$195,000**	In progress
T-1 86,000 lb Triaxle Combination Body	2026-TS-21	**$455,000**	$0	$0	$0	$0	**$455,000**	In progress
T-3 ¾ Ton Pick-Up	2026-TS-22	**$90,000**	$0	$0	$0	$0	**$90,000**	In progress
T-6 86,000 lb Triaxle Combination Body	2026-TS-23	**$455,000**	$0	$0	$0	$0	**$455,000**	In progress
T-19 68,000 lb Tandem Combination Body	2026-TS-24	**$425,000**	$0	$0	$0	$0	**$425,000**	In progress
T-31 ½ Ton Pick-Up	2026-TS-25	**$75,000**	$56,050	$56,050	$0	$0	**$18,950**	Complete
T-50 ¾ Ton Pick-Up	2026-TS-26	**$105,000**	$66,714	$66,714	$0	$0	**$38,286**	Complete
Facilities								
Bryanston Garage Rebuild	2026-TS-27	**$1,400,000**	$8,210	$8,210	$0	$0	**$1,391,790**	In progress
Total		**$27,333,184**	**$1,810,135**	**$1,742,635**	**$0**	**$67,500**	**$25,523,048**	