



Committee of the Whole

Meeting Date: October 24, 2023

Submitted by: Cindy Howard, General Manager Finance and Community Services, County Treasurer

Subject: 2022 Surplus Report

BACKGROUND:

The Financial Statements for the 2022 year ending December 31st have been presented to Council.

ANALYSIS:

The 2022 Consolidated Financial Statements year end operating surplus as audited for the County of Middlesex was \$2,571,547. The 2023 budget allocation from the 2022 year end surplus totals \$340,000 (this includes both the County (\$300,000) and Library (\$40,000) surplus amounts).

The 2022 Financial Statements year end operating surplus as audited for the Library was \$199,812. The 2023 budget allocation from the 2022 year end surplus is \$40,000 (County) and \$130,000 (Library) for a total of \$170,000.

On March 12, 2020, the World Health Organization declared COVID-19 a global pandemic. Effective March 17, 2020 the Province of Ontario enacted the declaration of emergency in response to the COVID-19 global outbreak. The County of Middlesex declared an emergency on March 17, 2020 following the lead of the Province.

The impacts of the global pandemic continued to effect operations across the County in a variety of ways in 2022. In 2022, the County received additional provincial and federal funding for COVID-19 for services such as Land Ambulance and Long Term Care. Provincial Safe Restart Funding not used in 2022 (\$245,138) were applied to Obligatory Deferred Revenue to support COVID-19 costs and pressures. There were decreased costs in the areas of travel, conventions and training across the departments including Council.

In addition to the above, the surplus was also influenced by additional revenue from investments, federal gas tax, supplementary taxes and continued Provincial investment in improving services in long-term care with the goal to increase direct resident care.

It has been the past practice of Council to allocate any surplus from the prior year less any current year Council recommendations, to the Tax Rate Stabilization Reserve in order to be utilized in future operating budgets.

One of the County's guiding principles is to maintain financial stability. As part of the 2023 budget process, Administration and Council took into account the projected surplus. The net year end operating surplus from The County of Middlesex and Library after deducting 2023 budget commitments amounts to \$2,101,547. In order to smooth the impact of taxpayers, Council also utilized its reserves.





The adjusted balance in the Tax Rate Stabilization reserve will be \$9,141,716.

FINANCIAL IMPLICATIONS:

The 2022 Financial Statements illustrative the continued commitment to sound financial planning and long-term fiscal sustainability.

ALIGNMENT WITH STRATEGIC FOCUS:

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

Strategic Focus	Goals	Objectives
<p>Cultivating Community Vitality</p> 	<p>Advance a diverse, healthy, and engaged community across Middlesex County</p>	<ul style="list-style-type: none"> • Promote and support community wellness • Innovate social and community services • Attract, retain, and engage youth in our community • Champion and encourage active transportation and public transit opportunities
<p>Connecting Through Infrastructure</p> 	<p>Ensure communities are built on a sustainable foundation that is connected and thriving</p>	<ul style="list-style-type: none"> • Encourage and advocate, through partnerships, the construction of scalable, equitable broadband infrastructure, recognizing our unserved and underserved areas • Commit to a sound asset management strategy to maintain and fund critical infrastructure • Use County infrastructure in an innovative way to provide a seamless service experience for residents
<p>Strengthening Our Economy</p> 	<p>Encourage a diverse and robust economic base throughout the county</p>	<ul style="list-style-type: none"> • Support opportunities to create a stronger and sustainable agricultural sector • Create an environment that enables the attraction and retention of businesses, talent, and investments • Attract visitors to Middlesex County • Support the development and prosperity of downtown core areas in Middlesex County
<p>Promoting Service Excellence</p> 	<p>Innovate and transform municipal service delivery</p>	<ul style="list-style-type: none"> • Anticipate and align municipal service delivery to emerging needs and expectations • Engage, educate and inform residents, businesses, and visitors of county services and community activities • Strengthen our advocacy and lobbying efforts with other government bodies • Collaborate with strategic partners to leverage available resources and opportunities • Build organizational capacity and capabilities

RECOMMENDATION:

THAT the yearend surplus from the 2022 operating accounts in the amount of \$2,101,547 (\$2,071,735 (County) +\$29,812 (Library)) be transferred to the tax rate stabilization reserve.