



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: April 13, 2026

Report No: ES-016-26

Subject: 2025 Operating Variance and Journal Entries

Recommendation: THAT the 2025 Financial Statements be prepared on the basis of the year-end transactions set out in report ES-016-26;

THAT staff be directed to transfer \$1,000,000 from the Legal and Insurance Reserve to the WSIB Reserve;

THAT staff be directed to prepare accounting entries to transfer the surplus, estimated at \$4,129,919, from the operating fund to the following:

- \$3,000,000 to the Growth Capital - Other Reserve
- \$1,129,919 to the Tax Rate Stabilization Reserve

EXECUTIVE SUMMARY

This report provides a detailed review of the preliminary unaudited 2025 financial position of the Town with the following information of note:

- An estimated surplus in the amount of \$4,129,919 is largely the result of savings from staff vacancies and timing of development activity and associated planning application revenues, amongst other changes in revenues and expenditures.
- It is recommended that the surplus be transferred to the Growth Capital - Other Reserve and Tax Rate Stabilization Reserve in consideration of the investment needs from those reserves (especially in regards to development charge exemptions) and to bring the balances in those reserves closer to the target balances identified in Appendix 3.
- Due to the implementation timing of the new financial management software for the Town, the audit of the 2025 financial position is scheduled for early fall 2026 and the final results will be confirmed in the 2025 Financial Report that is scheduled to be presented at the December 14, 2026 Council meeting.



REPORT

Background

In accordance with Corporate Policies No. 113: Financial Management - Budget Management and No. 115: Accounting, this report explains the significant variances in the actuals compared to the 2025 operating budget as well as the allocation of the surplus. The information presented herein has been developed based on reviews that were held with operating budget managers to identify key variances as well as to finalize 2025 accounts payable and accounts receivable accruals.

This report also satisfies the requirements of Ontario Regulation 332/12 which states that the Town must make available to the public annual reports with respect to Building Fees imposed under the Building Code Act. Included in this report is information on the total amount of fees collected, the direct and indirect costs of delivering the services related to the administration and enforcement of the Act and the amount of the reserve fund established for the purpose of administration and enforcement of the Act.

Discussion

Operating Budget Reporting

The final year end position of the Operating Fund is an estimated surplus of \$4.1 million for the Town (excluding library and BIA). This represents a variance of 3.7% on net budgeted expenditures of \$111.3 million and 1.9% on the gross expenditures of \$222.5 million.

	2021	2022	2023	2024	2025	Average
Variance (\$Millions)	\$4.45	\$0.45	\$(0.23)	\$5.79	\$4.13	\$2.9
% Variance to Net Budget	6.0%	0.6%	(0.3)%	5.8%	3.7%	3.2%
% Variance to Gross Budget	3.0%	0.3%	(0.1)%	3.0%	1.9%	1.6%

*Positive figures represents a favourable variance and a negative figure represents an unfavourable variance.

For consistency with prior years, the variance amounts above exclude the final positions of the library and BIA. If the final position of the BIA and Library were reflected in the 2025 year end figures, the net and gross percentages would be 4.1% and 2.1%, respectively.



The Corporation of the Town of Milton

Discussion

The estimated Town position at the end of 2025 by department is as follows:

Department	Net Budget	Actuals	(Surplus)/ Deficit	Percent
Mayor & Council	\$705,973	\$632,536	\$(73,437)	90%
Executive Services	4,004,276	3,467,498	(536,778)	87%
Corporate Services	40,030,176	38,904,395	(1,125,781)	97%
General Government	(78,673,318)	(77,560,588)	1,112,730	99%
Community Services	32,863,447	31,529,439	(1,334,008)	96%
Development Services	1,069,446	(1,103,199)	(2,172,645)	(103)%
Library	-	(411,492)	(411,492)	
Hospital Expansion	-	-	-	
BIA	-	(33,740)	(33,740)	
Gross Surplus	-	(4,575,151)	(4,575,151)	
Less: Library Board Surplus (Note 2)		411,492	411,492	
Less: BIA Surplus (Note 3)		33,740	33,740	
Net Town Surplus		\$(4,129,919)	\$(4,129,919)	

Note 1 - Figures include rounding and may result in minor variances to the attached Financial Schedules.

Note 2 - Library surplus will be transferred to the Library Capital Infrastructure Reserve in accordance with the Town's Treasury Policy No. 116.

Note 3 - BIA surplus will be transferred to the DBIA Surplus Reserve Fund in accordance with the Town's Treasury Policy No. 116.

The main drivers of the surplus relate to increased savings from staff vacancies in the amount of \$2.1 million, increased penalties and interest on taxes receivable of \$1.4 million, a timing related increase in Planning application revenues of \$2.0 million and savings in fuel of \$0.7 million largely due to the federal government decision to remove the consumer carbon tax.

Winter maintenance costs exceeded budget by \$1.4 million due to the severe storms which brought record snowfall, prolonged blizzard conditions and required extended response efforts. However, the increased spending was largely offset by increased recoveries from the Region, Operations staff vacancy savings and savings in summer maintenance of roads and parks.

Other areas of significant unexpected pressures included WSIB claims and an adjustment to the WSIB liability resulting from an actuarial review in the total amount of \$1.9 million and a shortfall in parking fines of \$0.7 million.

A shortfall in building permit revenues of \$5.1 million relative to budget was driven largely by a decrease in industrial, commercial and institutional applications and permit issuance through 2025 combined with a small decrease in residential units. This shortfall resulted in a lower transfer to the Building Rate Stabilization Reserve for 2025, with no net impact to the Town's bottom line.



Discussion

Detailed commentary on variances by department can be found in Appendix 2.

Balance Sheet Reporting

Property Tax Collection

The Town of Milton collects property taxes for the Town, Region of Halton and the Halton Boards of Education as legislated under the Municipal Act, 2001. The following table provides an update on the Town's current year tax collection as at December 31, 2025.

Tax Year	Total Billable Properties	Properties with Arrears as of Jan 5	Final Tax Levy ¹	Current Year Collections (as of Jan 5) ¹	Current Year Past Due ¹	Current Year % Paid
2025	44,608	6,273	294,990,854	279,593,103	12,848,885	94.8%
2024	43,389	4,631	267,512,218	256,835,650	10,076,270	96.0%
2023	42,788	3,752	248,702,396	241,571,126	7,889,510	97.1%

¹ Includes Town, Region and Educational Shares

Reserves and Reserve Funds

Reserves and reserve funds are an important element of the Town's long-term financial plan. They make provisions for the replacement and rehabilitation of existing Town assets, provide a contingency for one-time and unforeseeable events, and provide flexibility to manage debt levels and protect the Town's financial position.

A summary of reserve and reserve fund balances by type is outlined in the table below. A detailed continuity schedule by each reserve and reserve fund comparing ending 2025 balances to target balances is provided in Appendix 3.

Reserves and Reserve Funds (\$000)	Dec 31, 2024 Balance	In-Year Activity	Dec 31, 2025 Balance
Stabilization	\$24,269	\$(143)	\$24,126
Corporate Use	15,200	742	15,942
Infrastructure Non Growth	105,827	22,315	128,143
Infrastructure Growth	123,010	33,599	156,610
Program Specific	16,906	1,370	18,276
Board, Committee & Other	12,611	3,628	16,239
Total	\$297,824	\$61,512	\$359,336

The in-year activity includes transfers to/from the operating budget, and a number of those transfers are driven by external revenues and do not impact the operating surplus. It is



The Corporation of the Town of Milton

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important to understand where operating transfers deviate from budget as it will have resulting implications on reserve balances.

The following table presents a summary view of variances between budgeted and actual operating transfers to/from reserve and reserve fund by category.

Reserve/Reserve Funds (\$000)	Budgeted Transfer to/(from) Reserve	Actual Transfer to/(from) Reserve	Surplus/ (Deficit)
Stabilization	\$4,044	\$(524)	\$(4,568)
Corporate Use	1,812	1,012	(800)
Infrastructure Non Growth	49,007	54,624	5,617
Infrastructure Growth	12,929	10,584	(2,345)
Program Specific	(738)	(572)	166
Board, Committee & Other	731	621	(111)
Total	\$67,785	\$65,745	\$(2,040)

Transfers to Stabilization reserves are in a deficit position due to a timing related shortfall in building permit revenues resulting in a lower than budgeted transfer to the Building Stabilization reserve. Corporate Use reserve transfers are unfavourable to budget primarily due to timing differences in development activity.

Transfers to Infrastructure Non Growth related reserves were higher than anticipated largely due to higher than expected investment income transferred to reserve in accordance with the 2025 budget allocations and Treasury Policy No. 116, savings from approved but unissued debentures that were transferred to reserves, revenue associated with the issuance of Additional Residential Unit (ARU) permits that was transferred to reserve/capital for purposes of tracking costs and revenues through the pilot period, and proceeds from the sale of equipment that was transferred to reserve.

Infrastructure Growth transfers were unfavourable to budget due to lower than anticipated Capital Provision revenues being collected through financial agreements resulting from the timing of development activity and was partially offset by higher than anticipated supplementary taxes.

Transfers to Program Specific Reserves were higher than budget primarily due to higher than anticipated revenue from the Ministry of Natural Resources for extracted aggregates. Board, Committee & Other are showing as a deficit largely as a result of a correcting entry to reverse interest applied to deferred grant revenue in 2024 and transferring it instead to



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the Infrastructure Renewal - Recreation reserve along with other excess investment income.

A detailed commentary on other significant variances in reserve and reserve fund transfers within the operating fund is presented in Appendix 4.

Review of Reserve Balances to Target and Recommended Transfers



During the year end process staff reviewed the reserve balances against the 2025 reserve balance targets as well as the long-term forecasts and outlook.

The Tax Rate Stabilization and Growth Capital - Other reserves are each below their target balance by approximately \$3.0 million. There continues to be pressure on these reserves as well due to legislation (example - development charge exemptions) and program needs. It is recommended that a portion of the 2025 surplus be allocated towards each of these reserves as discussed further below.

The current balance in the WSIB reserve is \$5.7 million relative to an updated reserve target for the WSIB reserve of \$6.9 million. As a result, staff recommend transferring \$1,000,000 from the Legal and Insurance Reserve to the WSIB reserve.

The Infrastructure Renewal Reserves continue to be well below target. The Town should continue its strategy of budgeting for a lifecycle contribution to those reserves for any new assets and, subject to the budget process, investing additional incremental amounts annually within the operating budget to reduce the deficit over time.

The Information Technology and Vehicles and Equipment Replacement reserves are both below their target balance. However, the 10 year Reserve and Reserve fund forecast as presented in the 2026 budget suggests that balances in these reserves will recover and be in line with the target balance within a few years.

Through the 2025 Year End Capital Variances staff report (ES-015-26) staff are recommending that \$3.0 million be transferred from the Project Variance Reserve with \$2.0 million transferred to the Infrastructure Renewal - Stormwater Reserve and \$1.0 million transferred to the Infrastructure Renewal - Roads and Structures Reserve.

Debenture Obligations

The Town ended 2025 with \$40.9 million in total debt outstanding and made \$5.9 million in scheduled debenture repayments during the year.

In addition to the debenture obligations outlined below, \$7.4 million of debt that has been previously approved by Council remains yet to be issued.



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Existing Debenture Obligations (\$'000)	Debt at Dec 31, 2024	Principal Payments for 2025	Debt at Dec 31, 2025
Tax Supported	\$29,557	\$(3,955)	\$25,601
Capital Provision (Hospital)	4,947	(1,606)	3,341
Hospital Expansion (see below)	12,275	(302)	11,973
Total	\$46,780	\$(5,864)	\$40,916

The Hospital sinking fund debenture is held and managed by the Region of Halton for the purpose of retiring the debt at maturity. The annual \$302,726 sinking fund contribution and the interest income to be earned on the investments of the sinking fund over 30 years are projected to fully cover the principal payment due at maturity.

Hospital Expansion Sinking Fund Debenture	Amount
Sinking Fund Debt (payable on Apr 6, 2045)	\$15,000,000
Annual Contributions to date to the Region of Halton (\$302,726 per year)	(3,027,258)
Sub-total	\$11,972,742
Interest Earned to Date by Region of Halton	(635,982)
Dec 31, 2024 Balance per the Region of Halton Performance Indicator Report	\$11,336,760

Amendments made to Financial Policies under Treasurer delegated authority

During 2025 an administrative amendment was made to the Financial Management - Budget Management Policy No. 113 under Treasurer delegated authority as follows:

- Section 7.1 iv was amended to reflect that Operating Budget and Capital Budget month-end statements will be provided to Council for the month-end positions from March, April, August and October only; July operating statements will no longer be brought forward to Council.
- This is being done in an effort to reduce administration while still ensuring Council is provided with regular reporting throughout the year on each of the capital and operating funds.
- In addition to the monthly statements noted above, detailed variance reports relating to the Capital budget will continue to be submitted to Council twice annually for the periods ending June 30 and December 31 and detailed variance reports related to the Operating Budget will continue to be submitted to Council three times annually for the periods ending May 31, September 30 and December 31.



Discussion

Recommendations for the Year End Surplus/Deficit

As part of the year-end process, staff consider the distribution of the year-end surplus or funding of deficit based on Council approved policies.

It is recommended that \$3,000,000 of the surplus be transferred to the Growth Capital - Other Reserve on the basis that:

- DC exemptions, which are funded from this reserve, currently have an annual funding deficit of \$1.8 million as identified within the 2026 Budget. This deficit has the potential to increase with changes in legislation and the growth of additional residential units.
- The overall deficit being reported through the 2025 Year End Capital report for DC Exemptions is \$3.23 million largely driven by mid-year changes in legislation that exempted long-term care homes from development charges as well as higher than anticipated ARUs and unbudgeted rental housing discounts.
- The balance of the Growth Capital - Other Reserve at the end of 2025 was \$6.8 million as compared to a target balance of \$9.5 million.

It is recommended that the balance of the surplus, estimated at \$1,129,919 , be transferred to the Tax Rate Stabilization Reserve:

- This approach would re-instate a portion of the Tax Rate Stabilization Reserve funding used in the 2025 budget to mitigate pressures on the property tax increase. The year end balance in the Tax Rate Stabilization reserve is \$6.2 million relative to a 2025 target of \$9.3 million. The 2026 Budget forecasted this reserve to decline to \$6.0 million by the end of 2026 as a result of the tax mitigation funding used in the 2026 budget.

Finalization of 2025 Financial Results and Audit

As previously discussed through staff report ES-008-26, due to a revision in the go-live date for the Town's new Financial Management System (FMS), there will be a corresponding timing adjustment to the completion of the Town's audit of the 2025 financial results. As key resources on the Town's FMS project team are also key supports to the year end audit, the audit process with Deloitte will need to be pushed back to the fall of 2026 to ensure that the new FMS system can be successfully launched with proper staff oversight. The auditor's



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review will be deferred along with the presentation of the final audit results, which can be expected at the December 14, 2026 Council meeting.

Financial Impact

The estimated final year-end position of the operating fund is an estimated surplus of \$4.1 million for the Town. This report is providing information as to the allocation of the surplus necessary to facilitate the completion of the 2025 year-end accounting entries.

Where known at the time of 2026 budget development, the variances identified herein informed adjustments that were made to the 2026 budget. Any new budget variances identified will be considered in the 2027 budget process. All variances and reserve and reserve fund balances will also inform the management of the budget in 2026.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Jennifer Kloet, CPA, CA Phone: Ext. 2216

Attachments

Appendix 1 – 2025 Year End Operating Financial Statements

Appendix 2 – 2025 Year End Operating Variance Commentary by Department

Appendix 3 – Reserve and Reserve Fund Continuity Schedule

Appendix 4 – Reserve and Reserve Fund Transfer to/from Operating Variance and Commentary

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer



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Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2025

TOWN OF MILTON

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
MAYOR AND COUNCIL	646,660	632,536	705,973	(73,437)	90%
EXECUTIVE SERVICES	3,362,236	3,467,498	4,004,276	(536,778)	87%
CORPORATE SERVICES	33,686,014	38,904,395	40,030,176	(1,125,781)	97%
GENERAL GOVERNMENT	(65,373,295)	(77,560,588)	(78,673,318)	1,112,730	99%
COMMUNITY SERVICES	28,051,303	31,529,439	32,863,447	(1,334,008)	96%
DEVELOPMENT SERVICES	(372,917)	(1,103,199)	1,069,446	(2,172,645)	(103%)
LIBRARY		(411,492)		(411,492)	
BIA		(33,740)		(33,740)	
Total TOWN OF MILTON	1	(4,575,151)		(4,575,151)	

Note: Figures include rounding and may result in minor variances to the departmental financial statements

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2025

MAYOR AND COUNCIL

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
MAYOR AND COUNCIL					
MAYOR AND COUNCIL					
EXEXPENDITURES					
Salaries and Benefits	589,596	570,702	622,011	(51,309)	92%
Administrative	51,898	56,352	62,875	(6,523)	90%
Financial	614		5,000	(5,000)	
Purchased Goods	1,259	962	976	(14)	99%
Purchased Services	3,906	4,520	20,111	(15,591)	22%
Total EX EXPENDITURES	647,273	632,536	710,973	(78,437)	89%
REREVENUE					
Financing Revenue	(614)		(5,000)	5,000	
Total RE REVENUE	(614)		(5,000)	5,000	
Total MAYOR AND COUNCIL	646,659	632,536	705,973	(73,437)	90%
Total MAYOR AND COUNCIL	646,659	632,536	705,973	(73,437)	90%
Total MAYOR AND COUNCIL	646,659	632,536	705,973	(73,437)	90%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2025

EXECUTIVE SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
EXECUTIVE SERVICES					
OFFICE OF THE CAO					
EXEXPENDITURES					
Salaries and Benefits	649,560	682,208	653,716	28,492	104%
Administrative	18,487	19,939	21,314	(1,375)	94%
Purchased Goods	6,462	809	5,442	(4,633)	15%
Purchased Services	16,489	19,949	29,549	(9,600)	68%
Total EX EXPENDITURES	690,998	722,905	710,021	12,884	102%
REREVENUE					
Financing Revenue	(16,670)	(18,592)	(18,592)		100%
User Fees and Service Charges	(736)	(452)	(3,000)	2,548	15%
Total RE REVENUE	(17,406)	(19,044)	(21,592)	2,548	88%
Total OFFICE OF THE CAO	673,592	703,861	688,429	15,432	102%
STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT					
EXEXPENDITURES					
Salaries and Benefits	694,127	786,361	982,708	(196,347)	80%
Administrative	19,617	20,363	24,743	(4,380)	82%
Financial	2,699	4,588	2,608	1,980	176%
Purchased Goods	3,136	71,084	118,064	(46,980)	60%
Purchased Services	134,780	88,726	118,684	(29,958)	75%
Total EX EXPENDITURES	854,359	971,122	1,246,807	(275,685)	78%
REREVENUE					
Financing Revenue	(11,197)	(34,663)	(11,706)	(22,957)	296%
User Fees and Service Charges	(460)				
Total RE REVENUE	(11,657)	(34,663)	(11,706)	(22,957)	296%
Total STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT	842,702	936,459	1,235,101	(298,642)	76%
FINANCE					
EXEXPENDITURES					
Salaries and Benefits	5,683,408	6,531,457	6,691,649	(160,192)	98%
Administrative	47,669	42,864	93,237	(50,373)	46%
Financial	7,111	6,706	7,060	(354)	95%
Purchased Goods	21,655	10,397	30,546	(20,149)	34%
Purchased Services	286,677	343,306	313,177	30,129	110%
Total EX EXPENDITURES	6,046,520	6,934,730	7,135,669	(200,939)	97%
REREVENUE					

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2025

EXECUTIVE SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
Financing Revenue	(2,846,724)	(3,758,098)	(3,621,340)	(136,758)	104%
Recoveries and Donations	(6,552)				
User Fees and Service Charges	(1,087,466)	(1,078,796)	(1,080,003)	1,207	100%
Reallocated Revenue	(259,834)	(270,653)	(353,577)	82,924	77%
Total RE REVENUE	(4,200,576)	(5,107,547)	(5,054,920)	(52,627)	101%
Total FINANCE	1,845,944	1,827,183	2,080,749	(253,566)	88%
Total EXECUTIVE SERVICES	3,362,238	3,467,503	4,004,279	(536,776)	87%
Total EXECUTIVE SERVICES	3,362,238	3,467,503	4,004,279	(536,776)	87%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2025

CORPORATE SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
CORPORATE SERVICES					
INFORMATION TECHNOLOGY					
EXEXPENDITURES					
Salaries and Benefits	3,814,748	4,205,140	4,628,562	(423,422)	91%
Administrative	22,263	60,800	78,048	(17,248)	78%
Transfers to Own Funds		114,396		114,396	
Purchased Goods	2,672,953	3,409,199	3,685,628	(276,429)	92%
Purchased Services	1,513,119	1,976,859	2,258,474	(281,615)	88%
Total EX EXPENDITURES	8,023,083	9,766,394	10,650,712	(884,318)	92%
REREVENUE					
Financing Revenue	(1,061,360)	(950,502)	(990,978)	40,476	96%
User Fees and Service Charges	(1,663)		(100)	100	
Reallocated Revenue	(129,946)	(135,693)	(137,778)	2,085	98%
Total RE REVENUE	(1,192,969)	(1,086,195)	(1,128,856)	42,661	96%
Total INFORMATION TECHNOLOGY	6,830,114	8,680,199	9,521,856	(841,657)	91%
HUMAN RESOURCES					
EXEXPENDITURES					
Salaries and Benefits	2,606,655	2,168,317	2,166,100	2,217	100%
Administrative	183,250	163,745	200,435	(36,690)	82%
Purchased Goods	4,410	5,469	6,307	(838)	87%
Purchased Services	200,606	196,510	204,071	(7,561)	96%
Total EX EXPENDITURES	2,994,921	2,534,041	2,576,913	(42,872)	98%
REREVENUE					
Financing Revenue	(472,658)	(518,950)	(543,324)	24,374	96%
Reallocated Revenue	(184,594)	(195,620)	(232,133)	36,513	84%
Total RE REVENUE	(657,252)	(714,570)	(775,457)	60,887	92%
Total HUMAN RESOURCES	2,337,669	1,819,471	1,801,456	18,015	101%
LEGISLATIVE & LEGAL SERVICES					
EXEXPENDITURES					
Salaries and Benefits	3,280,658	3,561,185	4,024,856	(463,671)	88%
Administrative	42,665	53,996	89,860	(35,864)	60%
Financial	25,820	30,858	49,573	(18,715)	62%
Transfers to Own Funds	235,323	450,829	163,189	287,640	276%
Purchased Goods	16,711	16,359	30,375	(14,016)	54%
Purchased Services	946,122	1,071,242	1,104,495	(33,253)	97%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2025

CORPORATE SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
Reallocated Expenses	205,504	129,137	162,643	(33,506)	79%
Total EX EXPENDITURES	4,752,803	5,313,606	5,624,991	(311,385)	94%
REREVENUE					
Financing Revenue	(193,176)	(283,123)	(363,477)	80,354	78%
Recoveries and Donations	(24,557)	(15,600)	(21,500)	5,900	73%
User Fees and Service Charges	(2,171,349)	(2,556,979)	(3,016,030)	459,051	85%
Total RE REVENUE	(2,389,082)	(2,855,702)	(3,401,007)	545,305	84%
Total LEGISLATIVE & LEGAL SERVICE	2,363,721	2,457,904	2,223,984	233,920	111%
COMMUNICATIONS & CUSTOMER EXPENSES					
EXEXPENDITURES					
Salaries and Benefits	1,261,068	1,299,016	1,250,896	48,120	104%
Administrative	29,807	12,579	24,836	(12,257)	51%
Purchased Goods	4,042	1,746	8,300	(6,554)	21%
Purchased Services	58,131	117,395	128,958	(11,563)	91%
Total EX EXPENDITURES	1,353,048	1,430,736	1,412,990	17,746	101%
REREVENUE					
Financing Revenue	(387,005)	(408,944)	(329,002)	(79,942)	124%
Total RE REVENUE	(387,005)	(408,944)	(329,002)	(79,942)	124%
Total COMMUNICATIONS & CUSTOMER EXPENSES	966,043	1,021,792	1,083,988	(62,196)	94%
TRANSIT					
EXEXPENDITURES					
Salaries and Benefits	484,115	577,563	595,955	(18,392)	97%
Administrative	14,739	17,777	21,239	(3,462)	84%
Transfers to Own Funds	1,821,448	2,049,644	2,049,644		100%
Purchased Goods	46,417	45,113	14,518	30,595	311%
Purchased Services	6,588,555	7,713,664	7,304,567	409,097	106%
Fleet Expenses	2,257,624	2,293,310	2,373,659	(80,349)	97%
Reallocated Expenses	90,220	241,885	101,226	140,659	239%
Total EX EXPENDITURES	11,303,118	12,938,956	12,460,808	478,148	104%
REREVENUE					
Financing Revenue	(1,026,853)	(1,470,199)	(1,486,554)	16,355	99%
Recoveries and Donations	(2,020,976)	(2,209,537)	(2,132,157)	(77,380)	104%
User Fees and Service Charges	(2,037,297)	(2,395,116)	(2,201,318)	(193,798)	109%
Total RE REVENUE	(5,085,126)	(6,074,852)	(5,820,029)	(254,823)	104%
Total TRANSIT	6,217,992	6,864,104	6,640,779	223,325	103%

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CORPORATE SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
FIRE					
EXEXPENDITURES					
Salaries and Benefits	13,719,669	15,993,028	16,570,642	(577,614)	97%
Administrative	153,486	149,808	182,562	(32,754)	82%
Financial	1,506	1,312	4,000	(2,688)	33%
Transfers to Own Funds	1,144,857	1,833,574	1,795,037	38,537	102%
Purchased Goods	112,792	117,967	96,991	20,976	122%
Purchased Services	373,244	429,540	504,436	(74,896)	85%
Fleet Expenses	182,875	187,495	161,529	25,966	116%
Total EX EXPENDITURES	15,688,429	18,712,724	19,315,197	(602,473)	97%
REREVENUE					
Financing Revenue	(192,094)	(87,721)	(116,913)	29,192	75%
Grants		(25,115)	(27,500)	2,385	91%
Recoveries and Donations	(202,122)	(219,985)	(195,860)	(24,125)	112%
User Fees and Service Charges	(323,737)	(318,971)	(216,811)	(102,160)	147%
Total RE REVENUE	(717,953)	(651,792)	(557,084)	(94,708)	117%
Total FIRE	14,970,476	18,060,932	18,758,113	(697,181)	96%
Total CORPORATE SERVICES	33,686,015	38,904,402	40,030,176	(1,125,774)	97%
Total CORPORATE SERVICES	33,686,015	38,904,402	40,030,176	(1,125,774)	97%

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GENERAL GOVERNMENT

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
GENERAL GOVERNMENT					
GENERAL GOVERNMENT					
EXEXPENDITURES					
Administrative	351,208	2,047,389	120,000	1,927,389	1,706%
Financial	4,476,024	7,096,024	5,963,030	1,132,994	119%
Transfers to Own Funds	59,535,651	61,481,253	59,480,582	2,000,671	103%
Purchased Services	283,242	220,230	105,379	114,851	209%
Total EX EXPENDITURES	64,646,125	70,844,896	65,668,991	5,175,905	108%
REREVENUE					
External Revenue Transferred to Rese	(13,805,211)	(13,818,845)	(18,411,871)	4,593,026	75%
Financing Revenue	(12,428,318)	(15,154,313)	(10,036,610)	(5,117,703)	151%
Taxation	(96,341,298)	(110,892,104)	(108,315,861)	(2,576,243)	102%
Payments In Lieu	(1,060,249)	(1,157,008)	(1,077,246)	(79,762)	107%
Recoveries and Donations	(5,000)	(14,059)		(14,059)	
User Fees and Service Charges	(3,937,413)	(4,383,938)	(3,550,272)	(833,666)	123%
Reallocated Revenue	(2,441,934)	(2,985,218)	(2,950,449)	(34,769)	101%
Total RE REVENUE	(130,019,423)	(148,405,485)	(144,342,309)	(4,063,176)	103%
Total GENERAL GOVERNMENT	(65,373,298)	(77,560,589)	(78,673,318)	1,112,729	99%
Total GENERAL GOVERNMENT	(65,373,298)	(77,560,589)	(78,673,318)	1,112,729	99%
Total GENERAL GOVERNMENT	(65,373,298)	(77,560,589)	(78,673,318)	1,112,729	99%

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COMMUNITY SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
COMMUNITY SERVICES					
RECREATION AND CULTURE FACILITIES					
EXEXPENDITURES					
Salaries and Benefits	6,605,009	7,104,402	7,029,880	74,522	101%
Administrative	21,055	25,051	42,396	(17,345)	59%
Financial	143,397	139,159	133,545	5,614	104%
Transfers to Own Funds	2,267,598	2,340,406	2,338,596	1,810	100%
Purchased Goods	729,229	858,611	809,637	48,974	106%
Purchased Services	5,659,781	6,265,791	5,996,787	269,004	104%
Reallocated Expenses	49,093	63,456	46,425	17,031	137%
Total EX EXPENDITURES	15,475,162	16,796,876	16,397,266	399,610	102%
REREVENUE					
Financing Revenue	(408,695)	(428,472)	(426,758)	(1,714)	100%
Grants	(943,417)	(961,681)	(955,983)	(5,698)	101%
Recoveries and Donations	(178,643)	(258,290)	(219,856)	(38,434)	117%
User Fees and Service Charges	(7,198,070)	(7,658,814)	(7,322,672)	(336,142)	105%
Reallocated Revenue	(413,411)	(438,616)	(456,666)	18,050	96%
Total RE REVENUE	(9,142,236)	(9,745,873)	(9,381,935)	(363,938)	104%
Total RECREATION AND CULTURE F/	6,332,926	7,051,003	7,015,331	35,672	101%
ADMINISTRATION AND CIVIC FACILITIES					
EXEXPENDITURES					
Salaries and Benefits	3,323,083	3,138,567	4,127,930	(989,363)	76%
Administrative	22,885	38,272	59,116	(20,844)	65%
Financial	49,067	53,901	39,944	13,957	135%
Transfers to Own Funds	396,814	515,317	514,599	718	100%
Purchased Goods	119,147	112,306	113,050	(744)	99%
Purchased Services	1,442,245	1,611,033	1,597,546	13,487	101%
Reallocated Expenses	40,029	44,636	21,542	23,094	207%
Total EX EXPENDITURES	5,393,270	5,514,032	6,473,727	(959,695)	85%
REREVENUE					
Financing Revenue	(1,481,016)	(1,732,315)	(1,974,375)	242,060	88%
Recoveries and Donations	(19,565)	(43,637)	(32,138)	(11,499)	136%
User Fees and Service Charges	(172,218)	(108,887)	(272,653)	163,766	40%
Total RE REVENUE	(1,672,799)	(1,884,839)	(2,279,166)	394,327	83%
Total ADMINISTRATION AND CIVIC FA	3,720,471	3,629,193	4,194,561	(565,368)	87%

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COMMUNITY SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
PROGRAMS					
EXEXPENDITURES					
Salaries and Benefits	5,655,933	6,094,737	6,418,749	(324,012)	95%
Administrative	47,085	41,444	61,629	(20,185)	67%
Financial	702,028	836,075	713,041	123,034	117%
Transfers to Own Funds	31,745	56,678	78,350	(21,672)	72%
Purchased Goods	222,851	261,970	268,022	(6,052)	98%
Purchased Services	461,500	518,995	698,875	(179,880)	74%
Reallocated Expenses	107,661	107,661	107,661		100%
Total EX EXPENDITURES	7,228,803	7,917,560	8,346,327	(428,767)	95%
REREVENUE					
Financing Revenue	(658,082)	(700,590)	(681,078)	(19,512)	103%
Grants	(118,660)	(142,121)	(83,070)	(59,051)	171%
Recoveries and Donations	(183,929)	(211,744)	(255,862)	44,118	83%
User Fees and Service Charges	(6,483,016)	(6,906,356)	(6,605,887)	(300,469)	105%
Reallocated Revenue	(1,357)	(13,940)	(6,500)	(7,440)	214%
Total RE REVENUE	(7,445,044)	(7,974,751)	(7,632,397)	(342,354)	104%
Total PROGRAMS	(216,241)	(57,191)	713,930	(771,121)	(8%)
OPERATIONS					
EXEXPENDITURES					
Salaries and Benefits	8,246,522	8,502,961	9,005,128	(502,167)	94%
Administrative	60,232	89,597	78,262	11,335	114%
Transfers to Own Funds	2,106,289	2,344,509	2,344,509		100%
Purchased Goods	1,559,118	2,577,698	1,956,775	620,923	132%
Purchased Services	6,521,005	8,717,783	8,259,330	458,453	106%
Fleet Expenses	1,455,919	1,639,762	1,504,332	135,430	109%
Reallocated Expenses	4,497,790	6,689,883	5,244,280	1,445,603	128%
Total EX EXPENDITURES	24,446,875	30,562,193	28,392,616	2,169,577	108%
REREVENUE					
Financing Revenue	(261,021)	(279,490)	(277,734)	(1,756)	101%
Recoveries and Donations	(2,835,648)	(4,014,728)	(3,639,326)	(375,402)	110%
User Fees and Service Charges	(1,554,434)	(1,523,935)	(1,349,280)	(174,655)	113%
Reallocated Revenue	(4,855,992)	(7,130,858)	(5,543,216)	(1,587,642)	129%
Total RE REVENUE	(9,507,095)	(12,949,011)	(10,809,556)	(2,139,455)	120%
Total OPERATIONS	14,939,780	17,613,182	17,583,060	30,122	100%

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COMMUNITY SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
INFRASTRUCTURE MANAGEMENT					
EXEXPENDITURES					
Salaries and Benefits	2,634,233	2,674,139	2,852,065	(177,926)	94%
Administrative	36,681	46,243	53,135	(6,892)	87%
Financial	247,555	247,389	246,604	785	100%
Transfers to Own Funds	39,997	43,258	43,258		100%
Purchased Goods	121,842	56,591	63,760	(7,169)	89%
Purchased Services	2,062,513	2,183,609	2,200,773	(17,164)	99%
Reallocated Expenses			174	(174)	
Total EX EXPENDITURES	5,142,821	5,251,229	5,459,769	(208,540)	96%
REREVENUE					
Financing Revenue	(1,385,993)	(1,444,523)	(1,710,002)	265,479	84%
Recoveries and Donations	(25,444)	(36,029)	(23,384)	(12,645)	154%
User Fees and Service Charges	(457,012)	(477,420)	(369,813)	(107,607)	129%
Total RE REVENUE	(1,868,449)	(1,957,972)	(2,103,199)	145,227	93%
Total INFRASTRUCTURE MANAGEME	3,274,372	3,293,257	3,356,570	(63,313)	98%
Total COMMUNITY SERVICES	28,051,308	31,529,444	32,863,452	(1,334,008)	96%
Total COMMUNITY SERVICES	28,051,308	31,529,444	32,863,452	(1,334,008)	96%

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DEVELOPMENT SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
DEVELOPMENT SERVICES					
PLANNING SERVICES					
EXEXPENDITURES					
Salaries and Benefits	2,390,988	2,656,554	3,069,677	(413,123)	87%
Administrative	30,831	37,607	47,832	(10,225)	79%
Purchased Goods		209		209	
Purchased Services	36,141	101,909	64,204	37,705	159%
Reallocated Expenses		152,439		152,439	
Total EX EXPENDITURES	2,457,960	2,948,718	3,181,713	(232,995)	93%
REREVENUE					
Financing Revenue	(474,338)	(635,242)	(650,432)	15,190	98%
Recoveries and Donations	(7,019)	(5,086)	(3,480)	(1,606)	146%
User Fees and Service Charges	(2,570,983)	(4,202,448)	(2,182,975)	(2,019,473)	193%
Total RE REVENUE	(3,052,340)	(4,842,776)	(2,836,887)	(2,005,889)	171%
Total PLANNING SERVICES	(594,380)	(1,894,058)	344,826	(2,238,884)	(549%)
BUILDING SERVICES					
EXEXPENDITURES					
Salaries and Benefits	4,247,631	4,380,504	4,867,141	(486,637)	90%
Administrative	100,615	99,672	192,527	(92,855)	52%
Financial	24,194	22,335	10,000	12,335	223%
Transfers to Own Funds	1,183,962	591,582	5,159,128	(4,567,546)	11%
Purchased Goods	6,969	5,689	19,001	(13,312)	30%
Purchased Services	38,190	26,597	53,576	(26,979)	50%
Reallocated Expenses	2,725,238	3,425,601	3,255,488	170,113	105%
Total EX EXPENDITURES	8,326,799	8,551,980	13,556,861	(5,004,881)	63%
REREVENUE					
Financing Revenue	(9,876)	(10,329)	(10,329)		100%
User Fees and Service Charges	(8,316,925)	(8,389,214)	(13,546,534)	5,157,320	62%
Reallocated Revenue		(152,439)		(152,439)	
Total RE REVENUE	(8,326,801)	(8,551,982)	(13,556,863)	5,004,881	63%
Total BUILDING SERVICES	(2)	(2)	(2)		100%
DEVELOPMENT ENGINEERING					
EXEXPENDITURES					
Salaries and Benefits	2,386,931	2,782,479	2,970,269	(187,790)	94%
Administrative	38,305	34,841	49,104	(14,263)	71%

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DEVELOPMENT SERVICES

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
Financial	475	90	500	(410)	18%
Purchased Goods	50	558	200	358	279%
Purchased Services	177,095	527,900	330,254	197,646	160%
Total EX EXPENDITURES	2,602,856	3,345,868	3,350,327	(4,459)	100%
REREVENUE					
Financing Revenue	(359,061)	(443,445)	(351,046)	(92,399)	126%
Recoveries and Donations	(62,846)	(18,783)	(127,479)	108,696	15%
User Fees and Service Charges	(2,305,604)	(2,396,454)	(2,585,371)	188,917	93%
Reallocated Revenue	(253,361)	(255,570)	(211,136)	(44,434)	121%
Total RE REVENUE	(2,980,872)	(3,114,252)	(3,275,032)	160,780	95%
Total DEVELOPMENT ENGINEERING	(378,016)	231,616	75,295	156,321	308%
ADMINISTRATION					
EXEXPENDITURES					
Salaries and Benefits	480,541	514,322	513,690	632	100%
Administrative	9,137	7,773	9,502	(1,729)	82%
Purchased Goods	10,371	2,288	15,000	(12,712)	15%
Purchased Services	397,057	451,229	223,597	227,632	202%
Total EX EXPENDITURES	897,106	975,612	761,789	213,823	128%
REREVENUE					
Financing Revenue	(106,353)	(90,933)	(112,466)	21,533	81%
Recoveries and Donations	(191,275)	(169,585)		(169,585)	
Reallocated Revenue		(155,852)		(155,852)	
Total RE REVENUE	(297,628)	(416,370)	(112,466)	(303,904)	370%
Total ADMINISTRATION	599,478	559,242	649,323	(90,081)	86%
Total DEVELOPMENT SERVICES	(372,920)	(1,103,202)	1,069,442	(2,172,644)	(103%)
Total DEVELOPMENT SERVICES	(372,920)	(1,103,202)	1,069,442	(2,172,644)	(103%)

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LIBRARY

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
LIBRARY					
LIBRARY					
EXEXPENDITURES					
Salaries and Benefits	3,824,890	4,075,379	4,247,412	(172,033)	96%
Administrative	56,467	63,138	82,182	(19,044)	77%
Financial	6,232	6,484	6,500	(16)	100%
Transfers to Own Funds	931,527	753,543	753,543		100%
Purchased Goods	476,869	574,441	571,886	2,555	100%
Purchased Services	559,604	388,033	521,114	(133,081)	74%
Reallocated Expenses	383,766	397,478	420,766	(23,288)	94%
Total EX EXPENDITURES	6,239,355	6,258,496	6,603,403	(344,907)	95%
REREVENUE					
Financing Revenue	(23,622)	(22,884)	(22,884)		100%
Taxation	(5,933,370)	(6,312,940)	(6,312,940)		100%
Grants	(103,626)	(111,366)	(55,704)	(55,662)	200%
Recoveries and Donations	(24,378)	(21,809)	(5,000)	(16,809)	436%
User Fees and Service Charges	(154,359)	(200,989)	(206,875)	5,886	97%
Total RE REVENUE	(6,239,355)	(6,669,988)	(6,603,403)	(66,585)	101%
Total LIBRARY		(411,492)		(411,492)	
Total LIBRARY		(411,492)		(411,492)	
Total LIBRARY		(411,492)		(411,492)	

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HOSPITAL EXPANSION

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
HOSPITAL EXPANSION					
HOSPITAL EXPANSION					
EXEXPENDITURES					
Financial	2,484,971	2,480,789	2,495,768	(14,979)	99%
Total EX EXPENDITURES	2,484,971	2,480,789	2,495,768	(14,979)	99%
REREVENUE					
Financing Revenue	(2,484,971)	(2,480,790)	(2,495,768)	14,978	99%
Total RE REVENUE	(2,484,971)	(2,480,790)	(2,495,768)	14,978	99%
Total HOSPITAL EXPANSION		(1)		(1)	
Total HOSPITAL EXPANSION		(1)		(1)	
Total HOSPITAL EXPANSION		(1)		(1)	

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BIA

	2024 ACTUAL	2025 ACTUAL	2025 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
BIA					
BIA					
EXEXPENDITURES					
Salaries and Benefits	208,978	208,679	220,714	(12,035)	95%
Administrative		50		50	
Financial	6,495	3,355	5,500	(2,145)	61%
Transfers to Own Funds	104,409				
Purchased Goods	6,696	16,223	37,730	(21,507)	43%
Purchased Services	213,812	234,406	232,709	1,697	101%
Reallocated Expenses	4,623	3,915	4,500	(585)	87%
Total EX EXPENDITURES	545,013	466,628	501,153	(34,525)	93%
REREVENUE					
Financing Revenue	(25,000)	(22,126)	(22,126)		100%
Taxation	(269,943)	(285,125)	(284,539)	(586)	100%
Grants	(10,224)	(5,518)	(10,024)	4,506	55%
Recoveries and Donations	(87,390)	(51,428)	(29,750)	(21,678)	173%
User Fees and Service Charges	(44,794)	(28,509)	(47,053)	18,544	61%
Reallocated Revenue	(107,661)	(107,661)	(107,661)		100%
Total RE REVENUE	(545,012)	(500,367)	(501,153)	786	100%
Total BIA	1	(33,739)		(33,739)	
Total BIA	1	(33,739)		(33,739)	
Total BIA	1	(33,739)		(33,739)	

2025 Operating Variance Commentary By Department

Variances impacting multiple departments of the Town are highlighted below.

Staff Gapping

In 2025, the Town budgeted for savings from staff vacancies in the amount of \$1,125,000. As staff gapping savings are identified, the salary and benefit budget is reduced within the respective departments while an offsetting variance is shown against the budgets in General Government up to the full year budgeted gapping amounts. This redistributes the annual budget from the departments as the savings are being incurred.

The Town wide staff gapping savings for full time staff in 2025 was \$3,199,777. As such, the budgeted savings of \$1,125,000 were met, with an excess of \$2,074,777 over budget resulting in a net favourable variance to the Town. Additional savings from the temporary leaves of part-time staff are reported within each affected department below.

Insurance

As previously reported through ES-022-25, the Town's insurance policies were awarded for a 12 month period from July 2025 to June 2026 at a cost of \$1,475,215 for 2025. A favourable variance to budget of \$74,347 is being reported. Insurance costs have been allocated across departments and corresponding forecast changes reflecting variances to budget for each department have been completed.

Utilities and Fuel

With the federal government decision to remove the consumer carbon tax, it has led to gas and fuel savings of \$ 687,504 being reported within the Town. Partially offsetting this are water and hydro cost increases of \$249,526, which is due to a combination of increased rates and consumption.

Variances identified within specific departments are as follows:

Mayor & Council - \$73,437 Favourable

The favourable variance includes \$33,111 in savings related to a vacancy in one Councillor position for a portion of the year, with the remaining savings primarily driven by lower-than-budgeted benefit costs, contract expense, and professional development activities.

Executive Services - \$536,776 Favourable

The Office of the CAO is reporting an unfavourable variance of \$15,432, driven primarily by higher-than-budgeted salary and benefit costs, partially offset by savings in purchased services.

Appendix 2 - ES-016-26

2025 Operating Variance Commentary By Department

Strategic Initiatives and Economic Development is reporting a surplus of \$298,642, including \$196,347 in savings from staff vacancies, supplemented by savings of \$55,414 in contracts, \$35,835 in marketing initiatives and marketing goods and services, and \$33,289 in program expenses, partially offset by increased consultant costs of \$39,675.

The Finance division is reporting savings of \$253,566, due largely to savings of \$317,308 from staff vacancies, combined with savings in professional development of \$36,381, in purchased goods of \$20,149 and in consultants of \$13,748. These savings are partially offset by higher-than-anticipated legal expenses of \$32,865, professional fees of \$19,654, postage costs of \$12,111 and a \$82,924 reduction in building reallocated revenue due to a change in allocation methodology, with no net impact on a Town-wide basis.

Corporate Services - \$1,125,781 Favourable

Information Technology is reporting savings of \$841,657. The primary driver is due to savings from staff vacancies in the amount of \$423,422. Additional variances include savings of \$298,829 in annual maintenance costs and \$156,083 in service agreements, resulting from delays in software acquisitions, lower-than-anticipated rates, and changes in renewal periods. Communication-related savings of \$118,978 reflect the deferred deployment of telephone and radio communication lines. The department received provincial grant funding of \$36,603 related to Next Generation 9-1-1 - Phase 4. In addition, an unbudgeted transfer to reserves of \$114,396 was completed to return provincial grant funding related to Next Generation 9-1-1 - Phase 3, as the costs intended to be recovered from this funding were subsequently deemed ineligible. The remaining unfavourable variance is mainly due to lower-than-anticipated capital recoveries.

Human Resources is reporting a deficit of \$18,015, primarily due to HR related legal matters which were partially offset by savings from staff vacancies, reduced usage of the employee assistance program and savings in corporate training.

Legislative and Legal Services is reporting an unfavourable variance to budget of \$233,920, which is primarily related to shortfalls in parking fine revenue of \$736,050, a shortfall in parking permit revenue of \$168,334 associated with the transitional neighbourhood parking strategy, and increased legal costs of \$100,904. These pressures are partially offset by net staff vacancy savings of \$463,671, higher court awarded fines of \$190,206, and savings of \$59,385 in contracts, \$27,528 in postage, and \$35,864 in administrative expenses. Additional Residential Permit fee revenue of \$287,640 was received during 2025 which was transferred to reserve to fund the capital project that was established to track costs and revenues during the pilot phase resulting in no net impact to the operating fund.

Communications and Customer Experience is reporting a surplus of \$62,196 which is primarily due to savings in administrative expenses and purchased goods and services.

Transit is reporting an unfavourable variance of \$223,325. Transit expenditures exceeded budget by \$478,148, driven by higher contract costs associated with increased demand

2025 Operating Variance Commentary By Department

for specialized service, greater-than-expected utilization of the low-income subsidy program, and increased snow-clearing costs at transit stops due to winter conditions. These pressures were partially offset by revenues exceeding budget by \$254,823. While conventional ridership declined due to federal immigration policy impacts, resulting in lower fare media revenues, the recognition of developer revenues from Subsidized Transit Pass Agreements, resulted in transit revenues exceeding budget overall.

Fire is reporting savings of \$697,181. Net staff savings of \$577,614 is largely the result of a year-end accrual for vacation carryover combined with savings from vacancies through the year. Also contributing were lower than expected contract costs of \$133,663 and higher than expected fee revenue of \$102,160. These areas of savings were partially offset by higher than expected fleet and equipment maintenance costs of \$51,817 and costs associated with other municipalities responding to fire calls within Milton of \$31,088.

General Government - \$1,112,730 Unfavourable

Savings from staff vacancies in 2025 have been budgeted at \$1,125,000 within General Government. While the Town met and exceeded the budgeted staff vacancy savings, those savings are not reflected in General Government but rather in each specific department to which they relate.

Within the area of taxation, tax write-offs were lower than budget by \$172,868 while penalties and interest on taxes receivable exceeded budget by \$1,441,269. A further surplus of \$79,762 is reported in payments in lieu. These were partially offset by a shortfall to budget of \$23,366 in various taxation revenues. Supplementary taxes exceeded budget by \$2,599,609 which has been transferred to reserve in accordance with Town policy.

Costs associated with WSIB claims and insurance related incidents are tracked centrally within General Government. A deficit of \$435,733 was realized in 2025 with respect to the cost of insurance claims received and a deficit of \$1,945,373 is being reported related to the cost of WSIB claims received and an actuarial update to WSIB liabilities.

A surplus of \$449,747 is being reported related to the reversal of an Allowance for Bad Debts whereby the Town now has certainty that costs associated with watermain works on Pan Am Boulevard will be recovered from MEV landowners through future agreements. POA revenue also exceeded budget for the year by \$164,602.

According to Town policy, investment income from reserve funds, including development charge reserve funds, is allocated directly to the respective reserve fund, with any remaining income processed through the operating budget. Due to a higher than expected portfolio balance and an overall increase in yields, the Town's investment income exceeded the budget by \$4.7 million. Of this, \$4.4 million was directed through Financing Revenue within General Government and subsequently allocated to specific reserves as outlined in the budget process, with no impact on the bottom line.

2025 Operating Variance Commentary By Department

Dividends from Milton Hydro were \$93,805 greater than what had been included in the Town's 2025 budget. In accordance with the Town's Treasury Policy, transfers to reserve were used to stabilize the net impacts relative to the budgeted Milton Hydro funding distributions such that there is no net impact to the Town from annual fluctuations.

Community Services - \$1,334,008 Favourable

Recreation and Culture Facilities is reporting a net deficit of \$35,672. Facility contract costs exceeded budget by \$532,639 primarily due to emergency repairs. This unexpected pressure was partially mitigated by utilities savings of \$298,104. Increased staffing and materials costs of \$151,932 were related to increased usage of the facilities, particularly in the areas of concessions, ice rentals and ticket sales, which resulted in user fees exceeding budget by \$336,142.

Administration and Civic Facilities is reporting a favourable variance of \$565,368. Although the recovery of staff time working on capital projects and subdivision development was lower than budget by \$291,985 and \$165,264 respectively, it was more than offset by staff savings of \$989,363 which is a combination of staff vacancies and a reallocation of staff positions that has no net impact to the Town's bottom line.

Programs is reporting a surplus of \$771,121. This is largely driven by \$344,197 in staffing-related savings, along with a net increase of \$300,469 in user fee revenue resulting from higher program registrations, particularly in fitness and aquatics. These revenues are partially reduced by associated increases in transaction processing costs of \$45,343. Additional contributing factors include \$59,051 in grant funding, \$27,576 in savings from service agreements, and reduced usage of the Milton Access to Recreation program relative to budget.

Operations is reporting an overall unfavourable variance of \$30,122. The severe storms during this past winter caused materials and contract costs for the winter maintenance of Town roads to exceed budget by \$1,443,366. This was partially offset by increased developer recoveries of \$124,370 associated with the Town providing winter maintenance in unassumed subdivisions, reflecting a timing shift in subdivision assumptions. Similarly, winter maintenance on Regional roads was also greater than anticipated which resulted in savings to the Town through an increased recovery of Town vehicle costs from the Region in the amount of \$324,176 as well as an increased overall net recovery from the Region of \$62,575. Other areas of cost pressure included increased costs of stormwater maintenance of \$113,175 due largely to emergency cross-connection repairs, increased fleet costs, net of fuel savings, of \$103,802, increased forestry and horticulture costs of \$81,023, and increased usage of water in parks of \$87,051. These areas of increased pressure were largely offset by savings from staff vacancies of \$734,795, reduced summer maintenance costs of roadways of \$248,808, increased park rental revenues of \$72,705 and less than anticipated summer general maintenance costs on Regional roads of \$305,748, along with other miscellaneous other areas of savings.

2025 Operating Variance Commentary By Department

Infrastructure Management is reporting savings of \$63,313. This variance is largely due to staff savings of \$177,926, offset by a lower than budget recovery of staff time working on capital projects in the amount of \$265,479. Further contributing to the surplus is increased revenues of \$71,670 related to developer recoveries for streetlight hydro and maintenance costs, reflecting timing shifts in subdivision assumptions and new subdivisions not anticipated in the original budget, as well as \$35,937 in additional user fee revenues and savings of \$60,294 in consultant and contract costs as well as other miscellaneous areas. Hydro costs associated with streetlighting were overbudget by \$45,898.

Development Services - \$2,172,644 Favourable

Planning Services is reporting a surplus of \$2,238,884 largely due to an increase in user fee revenues of \$2,019,473, reflecting the timing of planning application activity, combined with savings from staff vacancies in the amount of \$413,123. This is partially offset by an increase in building reallocated expenses of \$152,439 due to a change in the allocation methodology which is cost-neutral at the Town-wide level.

Within Building Services, there was a shortfall in building permit revenues of \$5,144,630 driven largely by a decrease in industrial, commercial and institutional applications and permit issuance through 2025 combined with a small decrease in residential units. This shortfall exceeded the savings realized from staffing and other operating costs, resulting in a lower-than-budgeted transfer to the Building Rate Stabilization Reserve for 2025, with no net impact to the Town's bottom line.

Development Engineering is reporting a deficit of \$156,321. This is primarily related to increased costs of \$336,119 related to performing more work on undeveloped subdivisions than will be recovered through engineering and inspection fees along with lower-than-budgeted recoveries of \$142,716 from these engineering and inspection fees. These pressures are partially offset by \$187,790 in staffing-related savings and \$100,000 in contract savings as well as higher building activity recoveries of \$44,434.

The Administration division has a surplus of \$90,081 largely due to an increase in building reallocated revenue of \$155,852 resulting from a change in allocation methodology with no net impact Town-wide. The remaining variance is attributed to variances associated with higher than budgeted insurance costs and legal costs totaling \$48,102. The recovery of staff time working on capital projects was lower than budget by \$21,533.

Library - \$411,492 Favourable

Library Services is reporting a surplus of \$411,492, largely due to savings of \$172,033 from staff vacancies and savings of \$54,413 in automation equipment maintenance as a result of the Integrated Library System replacement in 2025. The remaining surplus is due to savings in facility and ground maintenance of \$47,707, equipment-data costs of \$27,734 driven by cancelled licenses and better renewal rates, professional development

Appendix 2 - ES-016-26

2025 Operating Variance Commentary By Department

costs of \$21,786, and consultant services of \$15,584, as well as other miscellaneous areas, in addition to increased grant funding of \$55,662.

Hospital - No Net Variance

BIA - \$33,739 Favourable

A favourable variance is primarily due to additional fundraising and donation revenues of \$21,678, along with \$12,035 in staffing savings.

Appendix 3 - ES-016-26
Reserve and Reserve Fund Continuity Schedule

Reserves and Reserve Funds (\$000s)	Balance as at Dec 31, 2024	Transfers (to)/from Operating	Transfers to/From Capital	Other Transfers (incl interest)	Balance as at Dec 31, 2025	2025 Reserve Target
Stabilization						
Tax Rate Stabilization	\$7,350	\$(1,124)	\$0	\$0	\$6,226	\$9,299
Severe Weather	2,563	0	0	0	2,563	2,790
Building Rate Stabilization	14,356	600	(163)	544	15,337	9,918
Stabilization Subtotal	\$24,269	\$(524)	\$(163)	\$544	\$24,126	
Corporate Use						
Insurance and Legal Matters	\$7,143	\$316	\$0	\$(373)	\$7,086	\$6,300
Per Unit Development Processing Fee	2,683	382	0	104	3,169	1,204
WSIB (Note 1)	5,375	313	0	0	5,688	6,850
Corporate Use Subtotal	\$15,200	\$1,012	\$0	\$(270)	\$15,942	
Infrastructure Non Growth						
Infrastructure Renewal - Roads & Structures	\$56,132	\$21,005	\$(25,184)	\$5,000	\$56,952	\$317,019
Infrastructure Renewal - Stormwater	6,504	3,230	(4,039)	1,500	7,195	31,527
Infrastructure Renewal - Recreation, Facilities, Other	15,212	12,581	(8,567)	1,000	20,227	140,617
Information Technology	1,493	3,925	(3,823)	0	1,596	5,175
Studies and Other Non Growth Capital	1,202	1,720	(2,179)	373	1,116	1,961
Vehicles and Equipment Replacement	9,923	6,530	(9,503)	2,000	8,951	11,500
Canada Community-Building Fund	7,109	0	(279)	4,654	11,484	N/A
Ontario Lottery Corporation Proceeds	8,252	5,633	(4,663)	254	9,476	
Project Variance Reserve	0	0	20,646	(9,500)	11,146	7,900
Infrastructure Non Growth Subtotal	\$105,827	\$54,624	\$(37,589)	\$5,281	\$128,143	
Infrastructure Growth						
Growth Capital - Other	\$4,418	\$7,529	\$(5,166)	\$0	\$6,780	\$9,517
Capital Provision	5,600	3,056	(223)	0	8,433	N/A
Payment-in-Lieu of Land Conveyance	27,194	0	0	2,709	29,903	
Cash-in-lieu of Parking	371	0	0	14	385	
Development Charges (Note 2 and 3)	85,874	0	(3,888)	29,643	111,629	
Post Period Capacity	(448)	0	(55)	(18)	(521)	
Infrastructure Growth Subtotal	\$123,010	\$10,584	\$(9,332)	\$32,347	\$156,610	

Note 1: Reserve target updated to reflect the most recent actuarial update at the beginning of 2026.

Note 2: Includes Development Charge Exemptions.

Note 3: Development Charges balance includes the \$33.9 million in Cash Flow Assistance that will be repaid in 2028 and is currently on the Town's Balance Sheet as a Liability.

Program Specific						
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Appendix 3 - ES-016-26
Reserve and Reserve Fund Continuity Schedule

Reserves and Reserve Funds (\$000s)	Balance as at Dec 31, 2024	Transfers (to)/from Operating	Transfers to/From Capital	Other Transfers (incl interest)	Balance as at Dec 31, 2025	2025 Reserve Target
Property Transactions	\$14,137	\$471	\$(0)	\$547	\$15,155	N/A
Provincial Gas Tax	1,893	(1,370)	0	1,391	1,914	
Election	488	163	0	0	651	
Aggregate Permit Fees	179	189	0	0	368	
Seniors' Fundraising	76	0	0	0	76	
Arts Programming	29	(26)	0	1	4	
Mayor's Legacy Fund	104	0	0	4	108	
Program Specific Subtotal	\$16,906	\$(572)	\$(0)	\$1,943	\$18,276	
Board, Committee & Other						
Library Tax Rate Stabilization	\$762	\$0	\$0	\$0	\$762	\$590
Library Capital Infrastructure	1,092	754	(401)	0	1,445	1,520
DBIA Surplus	396	(22)	0	14	388	N/A
Provincial Government Transfer	4,978	116	(11,386)	12,999	6,707	
Federal Government Transfer	5,384	(227)	(3,823)	5,605	6,938	
Board, Committee & Other Subtotal	\$12,611	\$621	\$(15,610)	\$18,618	\$16,239	
Total Reserve and Reserve Funds	\$297,824	\$65,745	\$(62,695)	\$58,463	\$359,336	

Appendix 4 -ES-016-26
Reserve and Reserve Fund - Transfers to/from Operating

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Stabilization				
Tax Rate Stabilization	\$(1,124)	\$(1,124)	\$0	
Severe Weather	0	0	0	
Building Rate Stabilization	5,168	600	(4,568)	A timing related shortfall in building permit revenues resulted in a lower than budgeted transfer to the Building Stabilization reserve.
Stabilization Subtotal	\$4,044	\$(524)	\$(4,568)	
Corporate Use				
Insurance and Legal Matters	\$373	\$316	\$(57)	Historically a small portion of the Per Unit Development Processing fees had been allocated to the Insurance and Legal Matters reserve. As part of a review of these fees relative to accounting standards it was determined that the full allocation would be to the Per Unit Development Processing reserve fund going forward.
Per Unit Development Processing Fee	1,125	382	(743)	The per unit processing fees were lower than expected due to timing differences in development activity.
WSIB	313	313	0	
Corporate Use Subtotal	\$1,812	\$1,012	\$(800)	
Infrastructure Non Growth				
Infrastructure Renewal - Roads & Structures	\$20,527	\$21,005	\$478	Savings of \$0.3 million from approved but unissued debentures were transferred to reserves. Higher-than-expected Milton Hydro dividends resulted in an incremental \$0.1 million transfer to reserves, in accordance with the Town's Treasury Policy No. 116. An additional \$0.1 million was earned from interest on unspent capital funds due to higher interest rates and balances throughout the year
Infrastructure Renewal - Stormwater	3,230	3,230	0	

Appendix 4 -ES-016-26
Reserve and Reserve Fund - Transfers to/from Operating

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Infrastructure Renewal - Recreation, Facilities, Other	8,087	12,581	4,494	Additional investment income due to higher interest rates and portfolio balances was transferred to reserve in accordance with the 2025 budget allocations and the Town's Treasury Policy No. 116.
Information Technology	3,914	3,925	11	Additional photocopier recoveries were transferred to reserve.
Studies and Other Non Growth Capital	1,432	1,720	288	Additional Residential Units (ARU) revenue that Licensing and Enforcement began receiving this year transferred to reserve then to capital for purposes of tracking costs and revenues of the ARU program during the pilot period as referenced through staff report CORS-004-25.
Vehicles and Equipment Replacement	6,234	6,530	297	Proceeds from the sale of equipment were transferred to reserve.
Canada Community-Building Fund	0	0	0	
Ontario Lottery Corporation Proceeds	5,583	5,633	49	Proceeds from the Ontario Lottery and Gaming Corporation (OLG) were greater than anticipated.
Project Variance Reserve	0	0	0	
Infrastructure Non Growth Subtotal	\$49,007	\$54,624	\$5,617	
Infrastructure Growth				
Growth Capital - Other	\$4,929	\$7,529	\$2,600	Supplementary taxes were above budget, resulting in an increased transfer to reserve.
Capital Provision	8,000	3,056	(4,945)	Timing differences in development activity resulted in fewer residential building permits and lower Capital Provision revenues being collected through financial agreements.
Payment-in-Lieu of Land Conveyance	0	0	0	
Cash-in-lieu of Parking	0	0	0	

Appendix 4 -ES-016-26
Reserve and Reserve Fund - Transfers to/from Operating

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Development Charges	0	0	0	
Post Period Capacity	0	0	0	
Infrastructure Growth Subtotal	\$12,929	\$10,584	\$(2,345)	
Program Specific				
Property Transactions	\$467	\$471	\$4	Additional lease revenue transferred to reserve.
Provincial Gas Tax	(1,370)	(1,370)	0	
Election	163	163	0	
Aggregate Permit Fees	1	189	188	Revenues collected from the Ministry of Natural Resources for extracted aggregates were higher than anticipated.
Seniors' Fundraising	0	0	0	
Arts Programming	0	(26)	(26)	Funds were transferred from reserves to support arts programming in line with the purpose of the reserve.
Mayor's Legacy Fund	0	0	0	
Program Specific Subtotal	\$(738)	\$(572)	\$166	
Board, Committee & Other				
Library Tax Rate Stabilization	\$0	\$0	\$0	
Library Capital Infrastructure	754	754	0	
DBIA Surplus	(22)	(22)	0	
Provincial Government Transfer	0	116	116	Grant funding was transferred from reserves to the operating fund to cover eligible NG911 implementation costs.

Appendix 4 -ES-016-26
Reserve and Reserve Fund - Transfers to/from Operating

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Federal Government Transfer	0	(227)	(227)	Reflects correcting entry to reverse interest inadvertently applied to deferred grant revenue in 2024 and transferring it instead to the Infrastructure Renewal - Recreation, Facilities, Misc. reserve along with other excess investment income, in line with the Town's Treasury Policy No. 116.
Board, Committee & Other Subtotal	\$731	\$621	\$(111)	
Total Reserve and Reserve Funds	\$67,785	\$65,745	\$(2,040)	