

Reserve Forecasts

Tables 1 and 3 provide the 2026 budgeted and 2025 forecasted reserve amounts. Tables 2 and 4 provide a summary of significant reserve balances at the start of 2025.

Table 1 - Estimated Operating Reserves Activity (in \$ millions)

Reserve Activity	2026 Financial Plan \$	2025 Forecast \$
Opening Reserve Balance	39.0	41.6
Transfers from Operating	5.2	5.5
Interest Income	0.7	0.7
Transfer to Operating	(6.0)	(8.8)
Closing Reserve Balance	\$38.9	\$39.0

Consolidated operating reserves through the end of 2025 are forecasted to be \$39.0 million. Net budgeted transfers, interest income, and funding of operating costs result in a budgeted closing balance of \$38.9 million at the end of 2026. Operating reserves reflect funds retained and segregated by service to fund future operating activities. The CRD currently manages 86 operating reserve funds.

Table 2 summarizes the significant operating reserve balances by service. A detailed listing of reserve balances is included in the audited financial statements.

Table 2: January 1, 2025 Operating Reserve Balances by Service (>\$1M)

Description	Amount (\$M)
Core Area Wastewater	12.1
Solid Waste	6.8
Regional Planning	2.7
Legislative & General	2.7
Regional Growth Strategy	2.0
Climate Action	1.4
S.P.W.W.S. Sewer Debt Reserve Fund	1.4
IW Environmental Operations	1.4
Environmental Services Protection	1.1
Various (<\$1M)	10.0
Total	\$41.6

Table 3 - Estimated Capital Reserves Activity (in \$ millions)

Capital Reserve Activity	2026 Financial Plan \$	2025 Forecast \$
Opening balance¹	141.6	162.9
Transfers from operating	24.5	27.6
Interest income	2.5	2.9
Transfers out (Capital Plan)	(47.1)	(51.8)
Ending balance	\$121.5	\$141.6

¹Reserve balances restated to include specified purpose funds for Landfill Closure and Post Closure, and Development Cost Charges

Capital reserves at the end of 2025 are forecasted to be \$141.6 million. Net of budgeted transfers, interest income, and funding to capital projects result in a budgeted closing balance of \$121.5 million at the end of 2026. Capital reserves reflect funds retained and segregated by service to fund future capital activities. The CRD currently manages 64 capital reserve funds.

Table 4 summarizes the significant capital reserve balances by service and includes the consolidated balance for the Equipment Replacement Fund (ERF). The ERF is one fund established by bylaw but covers all CRD services. Specified purpose funds for Landfill Closure and Post Closure, and Development Cost Charges have been shown separately. A detailed listing of reserve balances will be included in the unaudited financial statements.

Table 4: January 1, 2025 Capital Reserve Balances by Service, Including ERF (>\$1M)

Description	Amount (\$M)
Core Area Wastewater	39.7
Equipment Replacement Fund (All Services)	33.2
Regional Parks	10.1
Solid Waste	9.8
Saanich Peninsula Water Supply	6.3
Office Facilities & Equipment	6.3
Saanich Peninsula Ice Arena Facility	5.7
McPherson Theatre	2.9
Royal Theatre	1.5
S.P.W.W.S. Sewer Debt Reserve Fund	1.5
Regional Parks Land	1.3
Magic Lake Estates Water System	1.1
Sidney Treatment Plant	1.1
Various (<\$1M)	9.8
Subtotal	\$130.3
Landfill Closure and Post-Closure	14.3
Development Cost Charges	18.3
Total	\$162.9