

Reserve Forecasts

Tables 1 and 3 provide the change in the operating and capital reserve forecasts since Provisional budget. Detailed reserve schedules for each service were provided as part of the preliminary budget review process, and have been updated for Final budget for each service in Appendix O. Tables 2 and 4 provide a summary of significant reserve balances at the end of 2024.

Table 1: Changes in Operating Reserve Forecasts

| Reserve Activity | 2025 Final | 2025 Prelim | \$ Change | % Change |
|--------------------------------|---------------|---------------|--------------|-------------|
| Opening Reserve Balance | \$41.6 | \$38.5 | 3.0 | 7.7% |
| Transfers from Operating | 3.9 | 4.5 | (0.6) | (13.3%) |
| Interest Income | 1.2 | 1.2 | 0.0 | 0.0% |
| Transfer to Operating | (12.1) | (12.3) | 0.2 | (1.6%) |
| Closing Reserve Balance | \$34.6 | \$31.9 | \$2.6 | 8.2% |

The balance of all operating reserves through the end of 2024 are \$41.6 million. Net budgeted transfers, interest income, and funding of operating costs result in a forecasted closing balance of \$34.6 million at the end of 2025. Operating reserves reflect funds retained and segregated by services 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 will be included in the audited financial statements.

Table 2: December 31, 2024 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: Changes in Capital Reserve Forecasts

| Reserve Activity | 2025 Final | 2025 Prelim | \$ Change | % Change |
|--------------------------------|----------------|----------------|---------------|--------------|
| Opening Reserve Balance | \$162.9 | \$126.5 | 36.4 | 28.8% |
| Transfers from Operating | 26.3 | 26.2 | 0.1 | 0.4% |
| Interest Income | 4.9 | 3.8 | 1.1 | 28.9% |
| Transfer to Capital Plan | (50.6) | (46.1) | (4.5) | 9.8% |
| Closing Reserve Balance | \$143.5 | \$110.4 | \$33.1 | 30.0% |

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

Capital reserves at the end of 2024 are \$162.9 million. Net of budgeted transfers, interest income, and funding to capital projects result in a forecasted closing balance of \$143.5 million at the end of 2025. 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 audited financial statements.

Table 4: December 31, 2024 Capital Reserve Balances by Service, Including ERF (>\$1M)

| Description | Amount |
|---|----------------|
| 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 |