

Reserve Forecasts

Tables 1 and 3 provide the 2023 budgeted and 2022 forecasted reserve amounts. Tables 2 and 4 provide a summary of significant reserve balances at the start of 2022.

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

Reserve Activity	2023 Financial Plan \$	2022 Forecast \$
Opening Reserve Balance	49.2	63.7
Transfers from Operating	3.2	3.2
Interest Income	1.0	1.3
Transfer to Operating	(13.1)	(19.0)
Closing Reserve Balance	\$40.3	\$49.2

Consolidated operating reserves through the end of 2022 are forecasted to be \$49.2 million. Net budgeted transfers, interest income, and funding of operating costs result in a budgeted closing balance of \$40.3 million at the end of 2023. Operating reserves reflect funds retained and segregated by service to fund future operating activities. The CRD currently manages 84 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, 2022 Operating Reserve Balances by Service (>\$1M)

Description	Amount (\$M)
Solid Waste	40.0
Core Area Wastewater	7.7
Regional Planning	2.3
Legislative & General	2.2
Regional Growth Strategy	1.6
Various (<\$1M)	9.9
Total	\$63.7

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

Capital Reserve Activity	2023 Financial Plan \$	2022 Forecast \$
Opening balance¹	88.5	120.7
Transfers from operating	20.7	20.3
Interest income	1.8	2.4
Transfers out (Capital Plan)	(57.9)	(54.9)
Ending balance	\$53.1	\$88.5

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

Capital reserves at the end of 2022 are forecasted to be \$88.5 million. Net of budgeted transfers, interest income, and funding to capital projects result in a budgeted closing balance of \$53.1 million at the end of 2023. Capital reserves reflect funds retained and segregated by service to fund future capital activities. The CRD currently manages 75 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: January 1, 2022 Capital Reserve Balances by Service, Including ERF (>\$1M)

Description	Amount (\$M)
Equipment Replacement Fund (All Services)	29.6
Regional Parks	12.9
Solid Waste	8.7
Core Area Wastewater Debt Reserve Fund	6.4
Office Facilities & Equipment	6.4
Saanich Peninsula Water Supply	6.2
Core Area Wastewater	3.9
Saanich Peninsula Ice Arena Facility	3.9
McPherson Theatre	2.2
S.P.W.W.S. Sewer Debt Reserve Fund	1.8
Sooke and Electoral Area Recreation & Facilities	1.3
Magic Lake Estates Water System	1.2
Regional Parks Land Acquisition	1.1
Various (<\$1M)	10.0
Subtotal	\$95.6
Landfill Closure and Post-Closure	11.9
Development Cost Charges	13.2
Total	\$120.7