

Operating and Capital Reserve Forecasts
 Changes from Preliminary
 March 18, 2020

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. Tables 2 and 4 provide a summary of significant reserve balances at the end of 2019.

Table 1: Changes in Operating Reserve Forecasts

Reserve Activity	2020 Final	2020 Prelim	\$ Change	% Change
Opening Reserve Balance	47.8	41.0	6.8	16.5%
Transfers from Operating	7.1	0.5	6.6	1320.0%
Interest Income	1.0	0.8	0.2	21.9%
Transfer to Operating Plan	-3.4	-1.8	-1.6	88.9%
Closing Reserve Balance	\$52.5	\$40.5	\$12.0	29.5%

Consolidated operating reserves through the end of 2019 are \$47.8 million. Net budgeted transfers, interest income, and funding of operating costs result in a forecasted closing balance of \$52.5 million at the end of 2020. Operating reserves reflect funds retained and segregated by service to fund future operating activities. The CRD currently manages over 70 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, 2019 Operating Reserve Balances by Service (>\$1M)

Description	Amount (\$M)
Solid Waste	33.7
Regional Planning	1.9
LWMP	1.6
Regional Growth Strategy	1.3
North East Trunk Sewer	1.2
North West Trunk Sewer	1.1
Other (<\$1M)	6.9
Total	\$47.8

Table 3: Changes in Capital Reserve Forecasts

Reserve Activity	2020 Final	2020 Prelim	\$ Change	% Change
Opening Reserve Balance	82.8	75.5	7.3	9.7%
Transfers from Operating	17.3	16.7	0.6	3.6%
Interest Income	1.7	1.7	-0.0	-0.0%
Transfer to Capital Plan	-35.7	-33.6	-2.1	6.3%
Closing Reserve Balance	\$66.1	\$60.3	\$5.8	9.6%

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Capital reserves at the end of 2019 are \$82.8 million. Net of budgeted transfers, interest income, and funding to capital projects result in a forecasted closing balance of \$66.1 million at the end of 2020. The change from Provisional approval is primarily due to the increase in the Parks Visitor Facility Parking Lot estimate to be funded from reserve. Capital reserves reflect funds retained and segregated by service to fund future capital activities. The CRD currently manages over 70 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 bylaw, but covers all CRD services. A detailed listing of reserve balances will be included in the audited financial statements.

Table 4: December 31, 2019 Capital Reserve Balances by Service, Including ERF (>\$1M)

Description	Amount (\$M)
Equipment Replacement Fund (All Services)	22.4
Trunk Sewers and Sewage Disposal Facilities	8.8
Solid Waste	8.0
Regional Parks	7.7
Saanich Peninsula Water Supply	7.6
Office Facilities & Equipment	7.6
S.P.W.W.S. Sewer Debt Reserve Fund	3.7
Saanich Peninsula Ice Arena Facility	3.2
McPherson Theatre	1.7
Salt Spring Island Transport	1.4
Regional Parks Land	1.1
Various (<\$1M)	9.5
Total	\$82.8