

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 K. Tables 2 and 4 provide a summary of significant reserve balances at the end of 2025.

Table 1: Changes in Operating Reserve Forecasts

Reserve Activity	2026 Final	2026 Prelim	\$ Change	% Change
Opening Reserve Balance	\$35.8	\$39.0	(3.2)	(8.3%)
Transfers from Operating	5.2	5.2	0.0	0.0%
Interest Income	0.6	0.7	(0.1)	(14.3%)
Transfer to Operating	(9.1)	(6.0)	(3.1)	51.7%
Closing Reserve Balance	\$32.5	\$38.9	(\$6.4)	(16.4%)

The balance of all operating reserves through the end of 2025 are \$35.8 million. Net budgeted transfers, interest income, and funding of operating costs result in a forecasted closing balance of \$32.5 million at the end of 2026. Operating reserves reflect funds retained and segregated by services to fund future operating activities. The CRD currently manages 89 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, 2025 Operating Reserve Balances by Service (>\$1M)

Description	Amount (\$M)
Core Area Wastewater	7.0
Solid Waste	6.4
Regional Planning	2.9
Regional Growth Strategy	2.2
S.P.W.W.S. Sewer Debt Reserve Fund	1.6
Climate Action	1.5
Land, Banking & Housing	1.2
IW Environmental Operations	1.1
Environmental Services Protection	1.0
Various (<\$1M)	10.9
Total	\$35.8

Table 3: Changes in Capital Reserve Forecasts

Reserve Activity	2026 Final	2026 Prelim	\$ Change	% Change
Opening Reserve Balance	\$184.1	\$141.6	42.5	30.0%
Transfers from Operating	24.3	24.5	(0.2)	(0.8%)
Interest Income	3.3	2.5	0.8	29.5%
Transfer to Capital Plan	(51.4)	(47.1)	(4.3)	9.1%
Closing Reserve Balance	\$160.3	\$121.5	\$38.8	31.9%

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 \$184.1 million. Net of budgeted transfers, interest income, and funding to capital projects result in a forecasted closing balance of \$160.3 million at the end of 2026. Capital reserves reflect funds retained and segregated by service to fund future capital activities. The CRD currently manages 65 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, 2025 Capital Reserve Balances by Service, Including ERF (>\$1M)

Description	Amount
Core Area Wastewater	47.1
Equipment Replacement Fund (All Services)	34.5
Regional Parks	11.4
Office Facilities & Equipment	10.6
Solid Waste	9.2
Saanich Peninsula Water Supply	7.8
Saanich Peninsula Ice Arena Facility	5.5
S.P.W.W.S. Sewer Debt Reserve Fund	3.0
McPherson Theatre	2.8
Magic Lake Estates Water System	1.5
Royal Theatre	1.3
Sidney Treatment Plant	1.2
Family Court Building	1.0
Various (<\$1M)	9.9
Subtotal	\$146.8
Development Cost Charges	22.0
Landfill Closure and Post-Closure	15.3
Total	\$184.1