

# SCHEDULE 1

## Grand River Conservation Authority

### SUMMARY RESERVE REPORT - FORECAST 2022

General Meeting - November 25, 2022

	ACTUAL 2021	"NET CHANGE" INCREASE/(DECREASE) 2021 VS 2022	DETAILS OF "NET CHANGE" FORECAST 2022			FORECAST 2022
			Transfer In (Interest Income)	Transfer In	Transfer Out Description of Transfer	
<b>Type A: GRCA Controlled</b>						
<b>Operating Reserves (designated)</b>						
Property & Liability Insurance	270,383	0	0			270,383
Building & Mechanical Equipment	1,231,833	7,971	0	7,971	IN-Transfer from Small Office Equipment	1,239,804
Small Office Equipment	7,831	(7,831)	140		(7,971) OUT-Transfer to Building & Mechanical Equipment	0
Personnel	1,349,112	0	0			1,349,112
Transition	1,562,180	7,845	27,845		(20,000) OUT-\$20K Transition Staffing Expense	1,570,025
Forestry	1,078,801	96,309	19,435	76,874	IN-Timber Revenue	1,175,110
Information Systems and Technology	1,329,784	(136,174)	22,559	1,278,525	(1,437,258) IN-Chargebacks; OUT-Operating/Capital costs	1,193,610
Cottage Operations	983,652	127,533	17,533	110,000	IN-Cottage Lot unspent roads budget	1,111,185
Grand River Watershed Management Plan	111,336	1,984	1,984			113,320
Planning Enforcement	475,071	8,468	8,468			483,539
Property Rental Expenses	706,458	12,592	12,592			719,050
Watershed Restoration	177,135	3,157	3,157			180,292
Master Planning	327,307	5,835	5,835			333,142
Water Management Operating-NEW 2022	0	1,000,000	0	1,000,000	IN-\$1.0M NEW Reserve created in 2022 via transfer from Water Control Structures	1,000,000
Motor Pool Equipment	2,162,973	(385,509)	37,491	1,231,000	(1,654,000) IN-Chargebacks; OUT-Operating/Capital costs	1,777,464
Motor Pool Insurance	89,960	1,603	1,603			91,563
<b>Capital Reserves (designated)</b>						
Water Control Structures	3,466,428	(943,212)	56,788		(1,000,000) OUT-\$1.0M transferred to NEW reserve	2,523,216
Cambridge Desiltation Pond	6,237	(560)	103		(663) OUT-Cambridge Desiltation Pond costs	5,677
Completion of Capital Projects	162,000	0	0			162,000
Conservation Areas-Stabilization/Capital	4,971,802	2,317,620	88,620	2,229,000	IN-Conservation Area Surplus	7,289,422
Gauges	905,113	(58,867)	16,133		(75,000) OUT-Gauge/Instruments Capital Expense	846,246
<b>Capital Reserves (undesignated)</b>						
General Capital Reserve	1,116,991	90,909	19,909	71,000	IN-Hydro Turbine Revenue \$71K	1,207,900
<b>Total Type A: GRCA Controlled</b>	<b>22,492,387</b>	<b>2,149,673</b>	<b>340,195</b>	<b>6,004,370</b>	<b>(4,194,892)</b>	<b>24,642,060</b>
<b>Type B: Reserves with Outside Control</b>						
<b>With MNRF Interest (Capital Reserves)</b>						
Gravel	2,835,326					
	2,835,326					
Gravel	253,783	4,524	4,524			258,307
Land Sale Proceeds Reserve	6,986,113	1,338,454	127,499	1,281,601	(70,646) IN-Land Sale Proceeds; OUT-\$10K Land Sale expenses, \$60K Floodplain Mapping costs	8,324,567
<b>With School Board Interest (Operating Reserves)</b>						
App's Nature Centre	64,982	1,159	1,159			66,141
Laurel Creek Nature Centre	111,016	1,979	1,979			112,995
Guelph Lake Nature Centre	129,459	2,308	2,308			131,767
Taquanyah Nature Centre	14,849	264	264			15,113
Shade's Mills Nature Centre	69,219	1,233	1,233			70,452
<b>Total Type B: Outside Control</b>	<b>7,629,421</b>	<b>1,349,921</b>	<b>138,966</b>	<b>1,281,601</b>	<b>(70,646)</b>	<b>8,979,342</b>
<b>TOTAL</b>	<b>\$30,121,808</b>	<b>3,499,594</b>	<b>\$479,161</b>	<b>\$7,285,971</b>	<b>(\$4,265,538)</b>	<b>\$33,621,402</b>

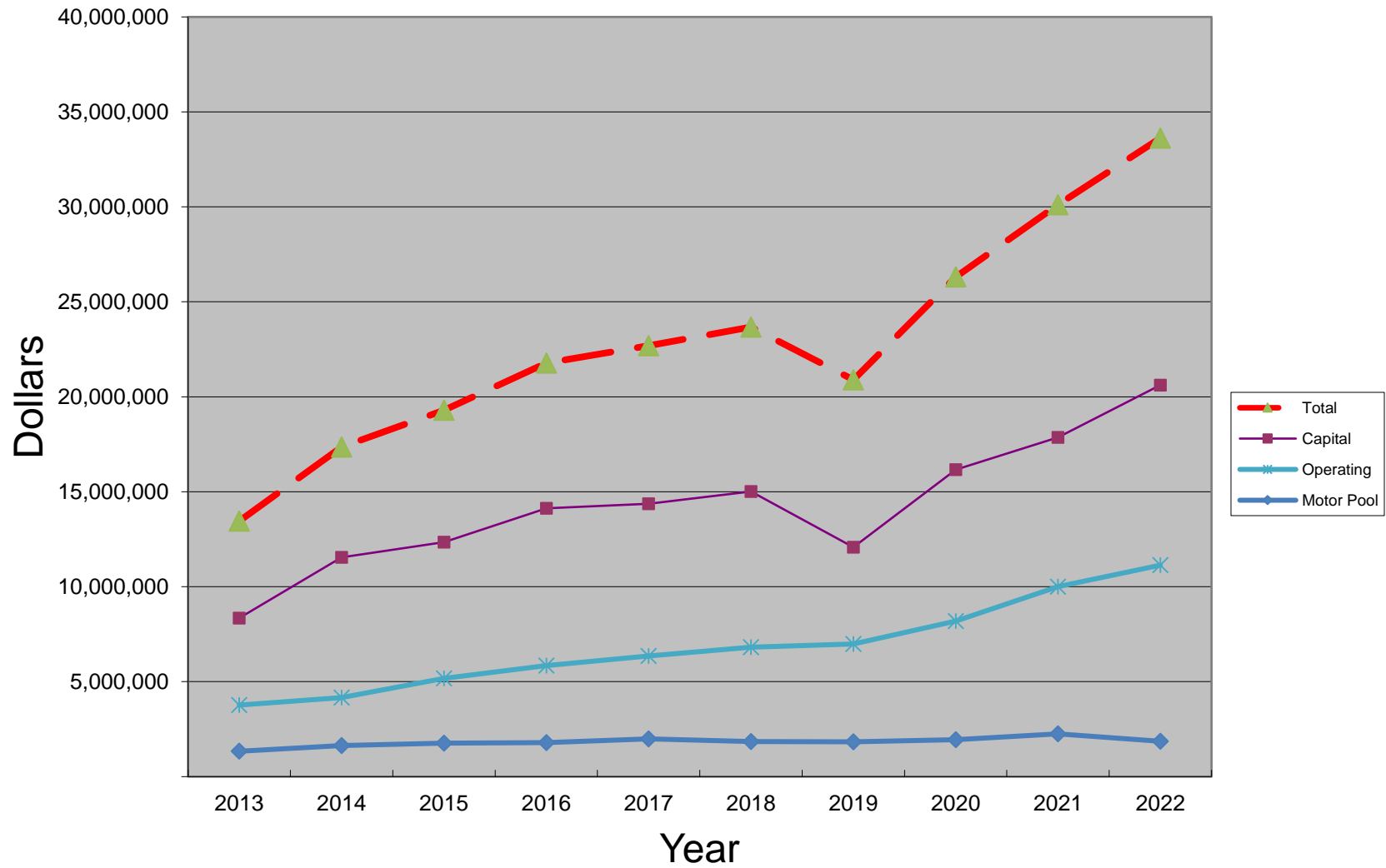
## RESERVE ACTIVITY DETAIL - FORECAST 2022 (by Operating, Capital and Motor Pool)

## SCHEDULE 2

<i>Balance Dec 31 21</i>	<b>OPERATING RESERVES</b>	<i>Year-to-date Income to Res</i>	<i>Year-to-date Interest</i>	<i>Year-to-date Outputs fr Res</i>	<i>Balance Sept 30/22</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/22</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
270,383	Property & Liability Insurance		-		270,383	0		270,383		270,383
1,231,833	Building & Mechanical Equipment		-		1,231,833	0		1,231,833	7,971	1,239,804
7,831	Small Office Equipment (consolidate)		105		7,936	35		7,971	(7,971)	0
1,349,112	Personnel		-		1,349,112	0		1,349,112		1,349,112
1,562,180	Transition		20,884		1,583,064	6,961	(20,000)	1,570,025		1,570,025
64,982	App's Nature Centre		869		65,851	290		66,141		66,141
111,016	Laurel Creek Nature Centre		1,484		112,500	495		112,995		112,995
129,459	Guelph Lake Nature Centre		1,731		131,190	577		131,767		131,767
14,849	Taquanyah Nature Centre		198		15,047	66		15,113		15,113
69,219	Shade's Mills Nature Centre		925		70,144	308		70,452		70,452
1,329,784	Information Systems and Technology	958,931	16,919	(997,664)	1,307,970	5,640	(120,000)	1,193,610		1,193,610
983,652	Cottage Lot Program		13,150		996,802	4,383	110,000	1,111,185		1,111,185
111,336	Water Management Plan		1,488		112,824	496		113,320		113,320
475,071	Planning Enforcement Reserve		6,351		481,422	2,117		483,539		483,539
706,458	Property Rental Expenses		9,444		715,902	3,148		719,050		719,050
1,078,801	Forestry Management Reserve		14,576	76,874	1,170,251	4,859		1,175,110		1,175,110
327,307	Master Plans		4,376		331,683	1,459		333,142		333,142
	Water Management Operating				-	0	1,000,000	1,000,000		1,000,000
177,135	Watershed Restoration (Wetland Restoration)		2,368		179,503	789		180,292		180,292
10,000,408	<b>TOTAL OPERATING RESERVES</b>	958,931	94,868	(920,790)	10,133,417	31,623	970,000	11,135,040		11,135,040
-	7,369									
<i>Balance Dec 31 21</i>	<b>CAPITAL RESERVES</b>	<i>Year-to-date Income to Res</i>	<i>Year-to-date Interest</i>	<i>Year-to-date Outputs fr Res</i>	<i>Balance Sept 30/22</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/22</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
6,237	Cambrige Desiltation Pond		77	(663)	5,651	26		5,677		5,677
162,000	Completion of Capital Projects		0		162,000	0		162,000		162,000
253,783	Gravel		3,393		257,176	1,131		258,307		258,307
(999,864)	Contaminated Sites		(13,367)		(1,013,231)	(4,456)		(1,017,687)		(1,017,687)
499,359	Land Sale - Woolner		6,661	(7,357)	498,663	2,220		500,883		500,883
925,931	Land Sale - Valley Lands - KW		12,378		938,309	4,126		942,435		942,435
1,909,395	Land Sale-Valley Land-KW (Pioneer Tower)		25,526		1,934,921	8,509		1,943,430		1,943,430
3,861,668	Land Sale - Valley Land - Guelph	1,281,601	54,188	(3,289)	5,194,168	18,063		5,212,231		5,212,231
251,263	Land Sales - Residential Properties		3,057		254,320	1,019		255,339		255,339
506,813	Land Sale - Laurel		6,775		513,588	2,258	(60,000)	455,846		455,846
181	Land Sale - Puslinch		3		184	0		184		184
4,376	Land Sale - Woolwich		58		4,434			4,434		4,434
26,991	Land Sale - Elora		361		27,352	120		27,472		27,472
1,116,991	General Capital Reserve		14,932		1,131,923	4,977	71,000	1,207,900		1,207,900
905,113	Water Gauges		12,100		917,213	4,033	(75,000)	846,246		846,246
4,971,802	Conservation Areas -Capital & Stabilization		66,465		5,038,267	22,155	2,229,000	7,289,422		7,289,422
3,466,428	Water Control Structures		46,341		3,512,769	10,447	(1,000,000)	2,523,216		2,523,216
17,868,467	<b>TOTAL CAPITAL RESERVES</b>	1,281,601	238,948	(11,309)	19,377,707	74,629	1,165,000	20,617,336	0	20,617,336
<i>Balance Dec 31 21</i>	<b>MOTOR POOL RESERVE</b>	<i>Year-to-date Income to Res</i>	<i>Year-to-date Interest</i>	<i>Year-to-date Outputs fr Res</i>	<i>Balance Sept 30/22</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/22</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
2,162,973	Equipment Replacement	931,032	28,118	(1,087,893)	2,034,230	9,373	(266,139)	1,777,464		1,777,464
89,960	Insurance		1,202		91,162	401		91,563		91,563
2,252,933	<b>TOTAL MOTOR POOL RESERVE</b>	931,032	29,320	(1,087,893)	2,125,392	9,773	(266,139)	1,869,026	0	1,869,026
<i>Balance Dec 31 21</i>	<b>TOTAL RESERVES</b>	<i>Year-to-date Income to Res</i>	<i>Year-to-date Interest</i>	<i>Year-to-date Outputs fr Res</i>	<i>Balance Sept 30/22</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/22</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
10,000,408	Operating Reserves	958,931	94,868	(920,790)	10,133,417	31,623	970,000	11,135,040		11,135,040
17,868,467	Capital Reserves	1,281,601	238,948	(11,309)	19,377,707	74,629	1,165,000	20,617,336		20,617,336
2,252,933	Motor Pool Reserves	931,032	29,320	(1,087,893)	2,125,392	9,773	(266,139)	1,869,026		1,869,026
30,121,808	<b>TOTAL RESERVES</b>	3,171,564	363,136	(2,019,992)	31,636,516	116,025	1,868,861	33,621,402	0	33,621,402

**GRCA**  
**Graph of Reserves 2013 to 2022**

**Schedule 3**



**GRAND RIVER CONSERVATION AUTHORITY**  
**PURPOSE OF RESERVES & GUIDELINES FOR CALCULATING AMOUNTS**

<b>Reserves</b>	<b>Purpose and Guidelines</b>
<b>RESERVES WITH OUTSIDE CONTROL</b>	
Gravel	For expenses that are in accordance with MNRF policies (including land purchases) and for water treatment capital expenditures. Any gravel income would be added to this reserve.
Land Sale Proceeds	Reserve established via land sale proceeds net of selling costs and costs to prepare land for sale. Expenditures funded by this reserve must be in accordance with Ministry of Natural Resources and Forestry (MNRF) policies. Following the 2018 June provincial election the Lieutenant Governor in Council assigned ministerial power for conservation authorities from MNRF to the Ministry of Environment, Conservation and Parks (MECP). Funds were borrowed from this reserve to fund major maintenance of GRCA turbines and the reserve was repaid with interest in 2020. During 2018 approval received from MNRF to utilize up to \$1.8 million over the period 2018 to 2021 for hazard tree management.
Nature Centres	For building major maintenance and repairs.
<b>GRCA CONTROLLED RESERVES</b>	
Property & Liability Insurance	For losses not covered by our property and liability insurance policies and to cover deductibles as necessary. Reserve was established with premium savings realized at the time GRCA increased the deductibles.
Building and Mechanical Equipment	For head office large repairs and maintenance (office renovations, roof, roads, boiler room, air conditioning) and for replacement of small office equipment.
Small Office Equipment	For replacement of small office equipment. In 2022 this reserve transferred to building and mechanical equipment reserve.

Reserves	Purpose and Guidelines
Personnel	For unbudgeted expenses related to compensation and benefits including: restructuring, severance, sick leaves, vacation liability, emergency costs (i.e. flood overtime, pandemic), LTD severance. In 2022 added expenses related to Canada Emergency Wage Subsidy (CEWS) interest charges if applicable.
Transition	Established in January 2021 (see 'Budget 2021-draft#2) this reserve is for expenditures related to the transitioning of GRCA to new provincial regulations requirements and/or fund costs related to managing expenses impacted by COVID-19 or revenue losses due to COVID-19.
Information Systems and Technology <i>(formerly called Computer Replacement)</i>	For computer equipment, telecommunications equipment and software. The reserve acts as a pool with operating and capital expenses funded by this reserve and then internal charges to departments used to replenish the reserve. Internal charges set to cover average annual cost (operating and capital) of information systems and technology.
Cottage Operations	For cottage lot program common area service expenses (i.e. roads and hazard tree maintenance). Allows for smoothing of costs included in annual operating budget and available to fund unanticipated unbudgeted costs.
Grand River Management Plan	For expenses related to implementing and maintaining the Grand River Management Plan. Established with surplus realized in 2008.
Planning Enforcement	For expenses related to enforcement of planning regulations.
Forest Management	For expenses related to forest management (clarify: GRCA lands versus public lands as well). Each year Timber Sale revenue is allocated to the reserve and surplus from the Private Land Tree Planting program including Burford Nursery may be allocated to this reserve.
Property Rental	For unanticipated unbudgeted property rental expenses. Each year if the property rental program realizes a surplus an amount may be allocated to the reserve.

Reserves	Purpose and Guidelines
Cambridge Desiltation Pond	For expenses related to maintaining the City of Cambridge Pond as per agreement. City originally advanced funds to GRCA for this work. Each year actual expenditures are funded by this reserve.
Completion of Capital Projects	For expenses related to projects underway (committed). This reserve includes funds set aside for Upper Grand Restoration Projects and each year actual expenditures funded through this reserve.
Master Plans	For expenses related to preparing master plans for GRCA lands. Established in 2019 with \$120,000 input from GRCA 2018/2019 year-end surplus.
Water Management Operating – NEW 2022	For expenses incurred within the water management program operating expenses related to staffing for engineering positions. This reserve established by transferring \$1,000,000 from the ‘water control structures’ reserve.
General Capital	For expenses related to GRCA water management capital projects. This reserve was originally established with funds held for the Dunnville lock project which never proceeded.
Gauges	For expenses related to construction of water monitoring gauges. Reserve established from prior years unspent flood forecasting and warning and gauge budgets.
Watershed Restoration (previously Wetland Acquisition)	For expenses related to wetland acquisitions or enhancements to wetlands in the watershed, natural heritage restoration projects, and conservation services watershed restoration projects.
Conservation Areas Capital/Stabilization	<p><u>Capital:</u></p> <p>For capital expenses that are unanticipated and/or budgeted for. There is an annual budgeted allocation of \$300,000 to this reserve for future capital projects. To the extent that capital projects were budgeted for and not completed by year-end, any unspent amount will be placed in this reserve.</p> <p><u>Stabilization:</u></p> <p>To fund operating deficits. This reserve is increased in years when the conservation areas achieve an overall surplus.</p>
Water Control Structures	For expenses related to major maintenance of water control structures. To extent that capital projects were budgeted for and not completed by year-end, any unspent amount will be placed in this

Reserves	Purpose and Guidelines
	<p>reserve. This reserve will also be increased by any operating surplus realized by the Dam program. Allows for smoothing of costs included in annual operating budget and available to fund unanticipated unbudgeted costs.</p>
<p>Motor Pool Equipment Replacement</p>	<p>For motor pool equipment. The reserve acts as a pool with operating and capital expenses funded by this reserve and internal charges to departments used to increase the reserve. A target amount for this reserve is approximately 25% - 30% of replacement cost. Internal charges are set to cover average annual cost (operating and capital) of motor pool operations.</p>
<p>Motor Pool Insurance</p>	<p>For expenses related to non-insured vehicle damage/loss including deductibles. Reserve was established with premium savings realized at the time GRCA increased the deductibles.</p>