

**SUMMARY RESERVE REPORT - FORECAST 2023**

General Meeting - November 24, 2023

	ACTUAL 2022	"NET CHANGE" INCREASE/(DECREASE) 2022 VS 2023	DETAILS OF "NET CHANGE" FORECAST 2023				FORECAST 2023
			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	1,239,846	0	0				1,239,846
Personnel	1,104,112	0	0				1,104,112
Transition	2,048,704	(26,297)	73,703		(100,000)	OUT-Land Management Position	2,022,407
Forestry	1,312,640	218,383	47,976	170,407		IN-Timber Revenue	1,531,023
Information Systems and Technology	1,318,602	(50,484)	47,816	1,418,700	(1,517,000)	IN-Chargebacks; OUT-Operating/Capital costs	1,268,118
Cottage Operations	1,180,650	142,473	42,473	100,000		IN-Road Maintenance expense savings	1,323,123
Grand River Water Management Plan	113,939	4,099	4,099				118,038
Planning Enforcement	526,179	18,931	18,931				545,110
Property Rental Expenses	737,976	26,548	26,548				764,524
Watershed Restoration	268,275	44,651	9,651	35,000		IN-Special Project funding	312,926
Master Planning	424,958	15,288	15,288				440,246
Water Management Operating NEW-2022	1,000,000	(141,003)	33,997		(175,000)	OUT-Engineering Position	858,997
Motor Pool Equipment	1,879,368	(409,307)	57,693	1,300,000	(1,767,000)	IN-Chargebacks; OUT-Operating/Capital costs	1,470,061
Motor Pool Insurance	92,064	3,311	3,311				95,375
<b>Capital Reserves (designated)</b>							
Water Control Structures	2,734,473	93,371	93,371				2,827,844
Cambridge Desiltation Pond	5,709	(763)	183		(946)	OUT-Cambridge Desiltation Pond costs	4,946
Completion of Capital Projects	162,000	0	0				162,000
Conservation Areas-Stabilization/Capital	7,339,262	864,023	264,023	600,000		IN-Conservation Area Surplus	8,203,285
Gauges	971,275	34,939	34,939				1,006,214
<b>Capital Reserves (undesignated)</b>							
General Capital Reserve	1,163,108	158,341	41,841	116,500		IN-Hydro Generation Revenue	1,321,449
<b>Total Type A: GRCA Controlled</b>	<b>25,893,523</b>	<b>996,504</b>	<b>815,843</b>	<b>3,740,607</b>	<b>(3,559,946)</b>		<b>26,890,027</b>
<b>Type B: Reserves with Outside Control/Interest</b>							
<b>With MNRF Interest (Capital Reserves)</b>							
Gravel	259,716	9,343	9,343				269,059
Land Sale Proceeds Reserve	22,172,367	767,642	797,642		(30,000)	OUT-Floodplain Mapping	22,940,009
<b>With School Board Interest (Operating Reserves)</b>							
App's Nature Centre	73,501	2,643	2,643				76,144
Laurel Creek Nature Centre	120,611	(4,661)	4,339		(9,000)	OUT-Repairs & Maintenance Expense	115,950
Guelph Lake Nature Centre	139,487	5,020	5,020				144,507
Taquanyah Nature Centre	22,197	799	799				22,996
Shade's Mills Nature Centre	77,836	2,801	2,801				80,637
<b>Total Type B: Outside Control/Interest</b>	<b>22,865,715</b>	<b>783,587</b>	<b>822,587</b>	<b>0</b>	<b>(39,000)</b>		<b>23,649,302</b>
<b>TOTAL</b>	<b>\$48,759,238</b>	<b>1,780,088</b>	<b>\$1,638,430</b>	<b>\$3,740,607</b>	<b>(\$3,598,946)</b>		<b>\$50,539,326</b>

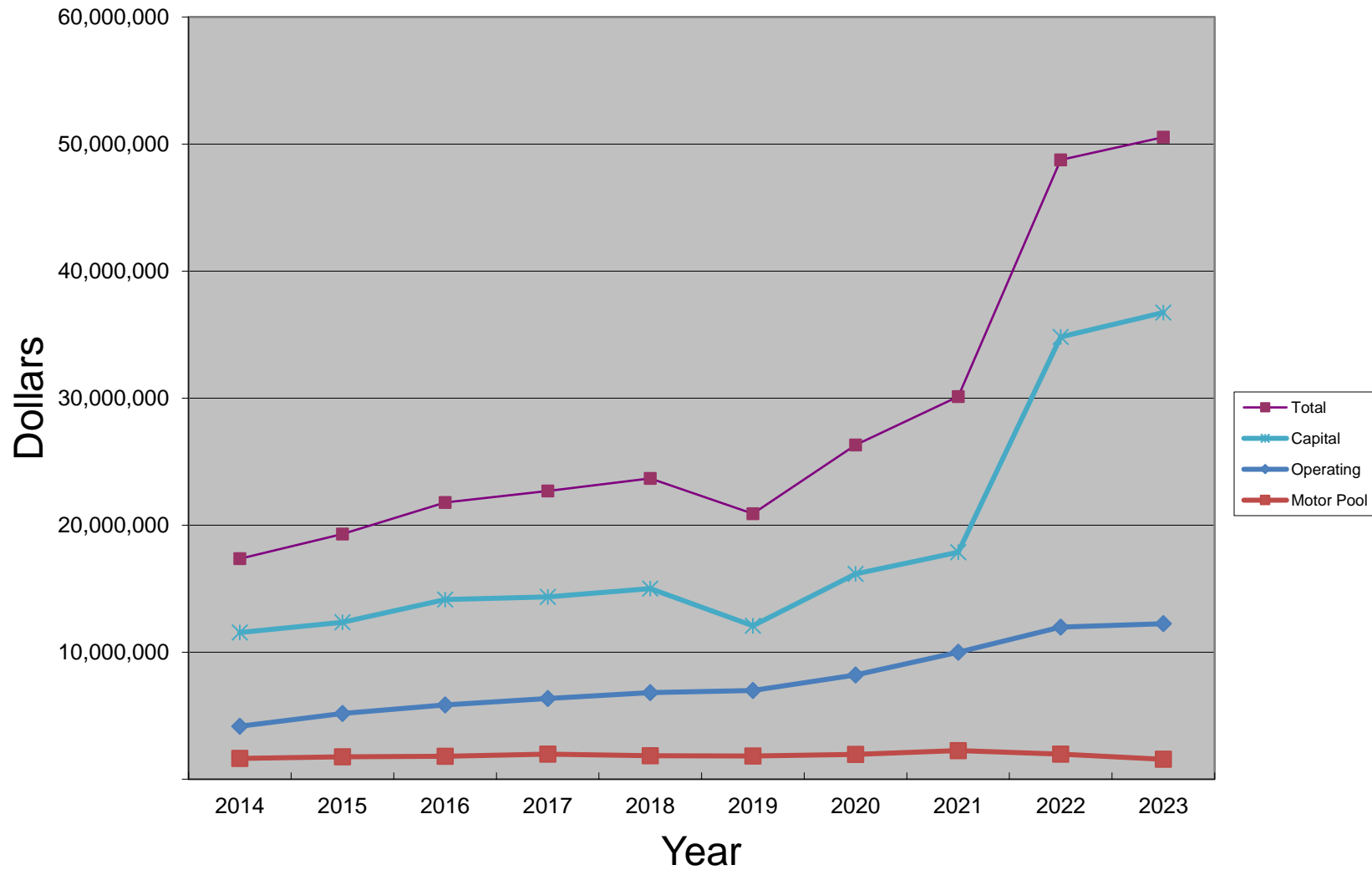
## RESERVE ACTIVITY DETAIL - FORECAST 2023 (by Operating, Capital and Motor Pool)

## SCHEDULE 2

<i>Balance Dec 31 22</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 30/23</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/23</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
270,383	Property & Liability Insurance		-		270,383	0		270,383		270,383
1,239,846	Building & Mechanical Equipment		-		1,239,846	0		1,239,846		1,239,846
0	Small Office Equipment (consolidate)		-		-	0		0		0
1,104,112	Personnel		-		1,104,112	0		1,104,112		1,104,112
2,048,704	Transition		55,277		2,103,981	18,426	(100,000)	2,022,407		2,022,407
73,501	App's Nature Centre		1,982		75,483	661		76,144		76,144
120,611	Laurel Creek Nature Centre		3,254		123,865	1,085	(9,000)	115,950		115,950
139,487	Guelph Lake Nature Centre		3,765		143,252	1,255		144,507		144,507
22,197	Taquanyah Nature Centre		599		22,796	200		22,996		22,996
77,836	Shade's Mills Nature Centre		2,101		79,937	700		80,637		80,637
1,318,602	Information Systems and Technology	1,064,025	35,862	(1,023,949)	1,394,540	11,954	(138,376)	1,268,118		1,268,118
1,180,650	Cottage Lot Program		31,855		1,212,505	10,618	100,000	1,323,123		1,323,123
113,939	Grand River Water Management Plan		3,074		117,013	1,025		118,038		118,038
526,179	Planning Enforcement Reserve		14,198		540,377	4,733		545,110		545,110
737,976	Property Rental Expenses		19,911		757,887	6,637		764,524		764,524
1,312,640	Forestry Management Reserve	170,407	35,982		1,519,029	11,994		1,531,023		1,531,023
424,958	Master Plans		11,466		436,424	3,822		440,246		440,246
1,000,000	Water Management Operating		25,498		1,025,498	8,499	(175,000)	858,997		858,997
268,275	Watershed Restoration (Wetland Restoration)		7,238		275,513	2,413	35,000	312,926		312,926
11,979,896	<b>TOTAL OPERATING RESERVES</b>	<b>1,234,432</b>	<b>252,062</b>	<b>(1,023,949)</b>	<b>12,442,441</b>	<b>84,021</b>	<b>(287,376)</b>	<b>12,239,086</b>		<b>12,239,086</b>
0 -	7,369									
<i>Balance Dec 31 22</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 30/23</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/23</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
5,709	Cambrige Desiltation Pond		137	(946)	4,900	46		4,946		4,946
162,000	Completion of Capital Projects				162,000	0		162,000		162,000
259,716	Gravel		7,007		266,723	2,336		269,059		269,059
(1,023,241)	Contaminated Sites		(27,608)		(1,050,849)	(9,203)		(1,060,052)		(1,060,052)
13,369,663	Land Sale - Woolner		360,724		13,730,387	120,241		13,850,628		13,850,628
776,714	Land Sale - Valley Lands - KW		20,956		797,670	6,985		804,655		804,655
1,954,035	Land Sale-Valley Land-KW (Pioneer Tower)		52,719		2,006,754	17,573		2,024,327		2,024,327
6,287,110	Land Sale - Valley Land - Guelph		169,632		6,456,742	56,544		6,513,286		6,513,286
257,139	Land Sales - Residential Properties		6,938		264,077	2,313		266,390		266,390
518,663	Land Sale - Laurel		13,994		532,657	4,665	(30,000)	507,322		507,322
184	Land Sale - Puslinch		8		192	3		195		195
4,477	Land Sale - Woolwich		122		4,599	41		4,640		4,640
27,623	Land Sale - Elora		746		28,369	249		28,618		28,618
1,163,108	General Capital Reserve		31,381		1,194,489	10,460	116,500	1,321,449		1,321,449
971,275	Water Gauges		26,204		997,479	8,735		1,006,214		1,006,214
7,339,262	Conservation Areas -Capital & Stabilization		198,017		7,537,279	66,006	600,000	8,203,285		8,203,285
2,734,473	Water Control Structures		73,778		2,808,251	19,593		2,827,844		2,827,844
34,807,910	<b>TOTAL CAPITAL RESERVES</b>	<b>-</b>	<b>934,755</b>	<b>(946)</b>	<b>35,741,719</b>	<b>306,585</b>	<b>686,500</b>	<b>36,734,804</b>	<b>0</b>	<b>36,734,804</b>
<i>Balance Dec 31 22</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 30/23</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/23</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
1,879,368	Equipment Replacement	1,006,345	43,270	(1,373,960)	1,555,023	14,423	(99,385)	1,470,061		1,470,061
92,064	Insurance		2,483		94,547	828		95,375		95,375
1,971,432	<b>TOTAL MOTOR POOL RESERVE</b>	<b>1,006,345</b>	<b>45,753</b>	<b>(1,373,960)</b>	<b>1,649,570</b>	<b>15,251</b>	<b>(99,385)</b>	<b>1,565,436</b>	<b>0</b>	<b>1,565,436</b>
<i>Balance Dec 31 22</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 30/23</i>	<i>Forecast Interest</i>	<i>Fcst Change Incr (Decr)</i>	<i>Fcst Dec 31/23</i>	<i>Recommended Changes</i>	<i>Recommended 2022 Balance</i>
11,979,896	Operating Reserves	1,234,432	252,062	(1,023,949)	12,442,441	84,021	(287,376)	12,239,086		12,239,086
34,807,910	Capital Reserves	-	934,755	(946)	35,741,719	306,585	686,500	36,734,804		36,734,804
1,971,432	Motor Pool Reserves	1,006,345	45,753	(1,373,960)	1,649,570	15,251	(99,385)	1,565,436		1,565,436
48,759,238	<b>TOTAL RESERVES</b>	<b>2,240,777</b>	<b>1,232,570</b>	<b>(2,398,855)</b>	<b>49,833,730</b>	<b>405,857</b>	<b>299,739</b>	<b>50,539,326</b>	<b>0</b>	<b>50,539,326</b>

**GRCA**  
**Graph of Reserves 2014 to 2023**

**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). In 2022, power for conservation authorities transferred back to MNRF. 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.
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

Reserves	Purpose and Guidelines
	2022 added expenses related to Canada Emergency Wage Subsidy (CEWS) interest charges. If interest charges are refunded to GRCA the proceeds will be returned to this reserve.
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 Water Management Plan	For expenses related to implementing and maintaining the Grand River Water 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.
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.

Reserves	Purpose and Guidelines
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.</p> <p><u>Stabilization:</u></p> <p>To fund operating deficits.</p> <p>This reserve is increased in years when the conservation areas achieve an overall surplus including a surplus driven by the deferral of capital projects.</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 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.

Reserves	Purpose and Guidelines
Motor Pool Equipment Replacement	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.
Motor Pool Insurance	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.