

**Capital Regional District
Quarterly Operating Variance Report - Q1, 2026
Service Budgets Greater than \$1,500,000**

Service Number	Service Description	2026 Operating Expenses							2026 Operating Revenue						
		Year to Q1				Annual Forecast			Year to Q1				Annual Forecast		
		Annual Budget \$ (Schedule A)	Actual \$	Actual % of Budget	2025 Actual % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actual \$	Actual % of Budget	2025 Actual % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation
1.010	Legislative & General	50,664,746	8,361,426	17%	21%	48,092,395	5%	Savings forecasted primarily due to estimated one time staff vacancies, and reduced staff training and meeting expenses.	50,664,746	9,416,748	19%	19%	50,364,746	1%	Half of revenue is derived from allocations to other services; one-third is funded by requisition, with balance from reserves, grants and other revenue. Savings forecasted due to reduction in funds required for one-time initiatives.
1.105	Facility Management	2,073,623	456,758	22%	21%	2,075,000	(0%)	Service is facilities management services delivered to CRD HQ and satellite facilities. Savings experienced in Q1 due seasonal variance in expenditures.	2,073,623	569,943	27%	21%	2,075,000	(0%)	Revenues derived from delivery of service to other services and projected to remain on plan for the year.
1.106	CRD Headquarters Building	2,745,339	681,503	25%	24%	2,745,000	0%	Service experienced no significant variance in operating costs during Q1 and is projected to be on plan for the fiscal year.	2,745,339	680,077	25%	24%	2,745,000	0%	Service provides office space to other CRD services and is forecasted to be on plan.
1.111	Electoral Area Admin Exp - SSI	1,654,529	319,687	19%	30%	1,653,970	0%	Small saving forecasted mainly due to lower than budgeted staff training and moving expenses.	1,654,529	194,897	12%	13%	1,646,724	0%	Service is funded approximately 49% from requisition, 46% from labour recovery allocation and 5% from other. Revenue is expected to be on plan with the budget with possible small variance in labour recoveries.
1.112	CRD Regional Grant in Aid	1,765,351	-	-	-	0	100%	CRD raised the funds in 2013-2015 through tax requisition specifically for one-time funding request from Island Corridor Foundation (ICF). The timeline hasn't been established for the distribution of the funds.	1,765,351	1,728,185	98%	98%	1,765,350	0%	Service revenue is primarily surplus carry forward, internal interest revenue is on plan.
1.226	Health Facilities - VIHA	1,539,297	25,669	2%	1%	1,539,297	0%	Service provides leased buildings to VIHA, and is 100% recovered from tenant. Q1 is largely on budget, with reserve transfers representing the largest proportion of the budget to be made later in the fiscal year.	1,539,297	386,741	25%	21%	1,539,297	0%	Service provides leased buildings to VIHA, and is 100% recovery from tenant. The CRD is currently negotiating new 5 year leases with VIHA.
1.280	Regional Parks	21,147,786	2,895,207	14%	15%	21,000,000	1%	Service experiences a seasonal nature to expenditures, primarily weighted to Q2 and Q3. Payroll savings will be redirected to other projects that are currently experiencing resource constraints.	21,147,786	1,424,469	7%	8%	21,000,000	1%	Revenues are primarily from requisition and are on plan.
1.297	Arts Grants & Development	3,375,641	246,941	7%	8%	3,375,600	0%	Service is a grant funding service, which had limited grant distribution in Q1. Projecting to disburse remaining budget for grant funding to arts organizations in the remaining quarters.	3,375,641	179,542	5%	5%	3,375,600	0%	Revenues are primarily from requisition and are on plan.
1.309	Climate Action and Adaptation	2,591,861	284,768	11%	10%	2,291,861	12%	Projecting operating expenses under budget, mainly due to savings related to the timing of contract cost for the Benchmarking and Home Energy Navigator program.	2,591,861	137,509	5%	7%	2,491,641	4%	Revenues are primarily from requisition, and forecast slightly below plan due to less grant revenue.
1.310	Land Banking & Housing	5,382,770	797,245	15%	12%	5,203,345	3%	Forecasted operating expenses under budget primarily due to temporary staff vacancies and lower pay steps for new hires.	5,382,770	898,681	17%	4%	5,382,770	0%	Revenue is approximately 61% requisition, 15% from grants (Federal and other), 13% recovery and 11% other. Overall revenue is forecasted on plan.
1.311	Regional Housing Trust Fund	3,223,431	9,469	0%	0%	3,223,431	0%	Issuance of grants to CRHC for capital projects expected to start from Q2, forecast is on budget.	3,223,431	2,927,906	91%	49%	3,223,431	0%	Revenue is primarily made up of 89% surplus carry forward, 9% requisition and 2% other. Overall revenue is forecasted on plan.
1.313	Animal Care Services	2,077,586	437,620	21%	25%	2,099,620	(1%)	Projected costs slightly above budget mainly due to higher IT and software expenses.	2,077,586	562,055	27%	26%	2,090,590	(1%)	Service is funded approximately 27% from requisition, 49% from contract revenue, 21% from dog tag sales and 3% from other. Forecasting slightly higher revenue due to increased revenue from contract negotiations.
1.318	Building Inspection	2,536,013	614,681	24%	22%	2,360,000	7%	Projecting operating expenses under budget primarily due to lower pay steps for new hires, and temporary staff vacancies.	2,536,013	478,957	19%	32%	2,530,000	0%	Service is funded by approximately 56% permit fee revenue, with the balance funded by 29% tax requisition, 14% reserve funds and 1% other. Although Q1 revenue was lower than projected, building permits are cyclical. Revenue will be reviewed in Q2 for possible adjustment.
1.329	Regional Transportation	6,341,362	1,131,839	18%	n/a	6,340,000	0%	Service delivery is proceeding as planned. Q1 variance is due to seasonality of regional trail work and timing of debt payments. Expenditures are forecasted to be in line with budget.	6,341,362	1,043,535	16%	n/a	6,341,360	0%	Revenue is approximately 84% requisition, 15% operating reserve and 1% other. Overall revenue is forecasted on plan.
1.356	Pender Fire Protection	1,579,313	369,733	23%	20%	1,575,000	0%	Operating expenses are on track with budget.	1,579,313	13,216	1%	1%	1,579,313	0%	Operating revenues are primarily requisition and are on plan.
1.40X	SEAPARC	6,039,678	1,062,653	18%	20%	6,000,000	1%	Service has a seasonal nature to operating expenses. In line with service delivery. Forecasted in line with budget for the year.	6,039,678	560,319	9%	10%	6,000,000	1%	Revenues are approximately 62% from requisition; 38% from fees and other. Service is projected to be on plan for the year.
1.44X	Panorama Rec. Center	12,436,172	2,212,192	18%	21%	12,400,000	0%	Service has a seasonal nature to operating expenses. In line with service delivery. Forecasted in line with budget for the year.	12,436,172	1,918,574	15%	15%	12,400,000	0%	Revenues are approximately 49% from requisition; 51% from fees and other. Service project to be on plan for the year.

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1.45X	SSI Parks and Recreation	4,085,195	733,299	18%	n/a	4,056,477	1%	Forecasting operating expenses to be lower than budget mainly due to lower salaries from a temporary staff vacancy and lower operating costs associated with Ganges Firehall building.	4,085,195	178,628	4%	n/a	4,105,360	(0%)	Forecasting operating revenue over the budget mainly due to higher summer programs grant funding and higher revenue from community rec programs and SIMS facility rentals.
1.521	Environmental Resource Management	54,220,744	12,153,648	22%	21%	53,920,744	1%	Operating services are continuing as planned. Experienced increased costs with emerging leachate management issues. Forecast largely on plan with some savings on RNG contract cost.	54,220,744	13,533,009	25%	21%	53,854,744	1%	Tipping fee revenue forecast largely on plan. RNG sales revenues lower due to seasonal variation in landfill gas quality/quantity. Excessing disposal of banned materials resulting in more tickets being issued.
1.574	Environmental Innovation	1,613,836	306,542	19%		1,603,836	1%	Overhead service budget, continuing to provide service as planned. Service delivery continuing as planned. No changes anticipated at this time.	1,613,836	403,459	25%		1,603,836	1%	Revenues are driven by providing services to other CRD services that continue to operate as planned.
1.576	Corporate Capital Project Delivery	5,915,200	1,191,530	20%	18%	5,900,000	0%	Service provides engineering and project management services to multiple services across the CRD. Savings in Q1 from temporary staff vacancies, but not anticipated to continue throughout the year.	5,915,200	1,319,994	22%	20%	5,900,000	0%	Revenues are driven by providing services to other CRD services which continue to operate as planned. Recovery revenue from CRD service forecasted slightly below annual budget due to temporary staff vacancies.
1.577	Wastewater Operations	14,314,490	2,211,048	15%	20%	14,106,054	1%	Overhead services are being delivered as planned. Actual expenditures are below budget, primarily due to temporary staff vacancies.	14,314,490	3,426,930	24%	23%	14,147,418	1%	Approximately 96% of revenue is generated through labour recoveries for services provided to other CRD divisions, with the remaining 4% funded through reserve transfers to support one-time expenditures. Actual recovery revenue is below the annual budget due to temporary staff vacancies during the year.
1.578	Environmental Protection and Water Quality	9,792,738	1,884,955	19%	21%	9,772,738	0%	Overhead service budget, continuing to provide service as planned. Forecast largely on plan, with some minor savings on staff training & development.	9,792,738	2,331,840	24%	24%	9,772,738	0%	Revenues are driven by providing services to other CRD services that continue to operate as planned.
1.580	EA Utility Operations	1,917,306	434,376	23%	n/a	1,986,000	(4%)	Overhead service budget, continuing to deliver services as planned. Expenditures are forecasted to be higher than budget due to auxiliary staff for Salt Spring and Pender utility services.	1,917,306	560,591	29%	n/a	2,017,000	(5%)	Revenues are driven by providing services to other CRD services. Revenues are forecasted to be higher than budget to do increased operator hours for Salt Spring and Pender Island utility services.
1.911	911 Systems	2,644,068	394,049	15%	16%	2,640,000	0%	This service collects 911 levies from phone carriers and distributes a percentage to participating municipalities. Fixed contracts and debt servicing costs are on track with budget.	2,644,068	518,862	20%	21%	2,609,000	1%	Sources of revenue are fixed source requisitions, lease revenue, and variable 911 levies received from phone carriers and are on plan.
1.921	Regional CREST	2,105,968	528,184	25%	25%	2,111,000	(0%)	This is a contribution service that provides support to CREST based on service agreement. Operating expenses are on track with budget.	2,105,968	94,701	4%	5%	2,105,968	0%	Operating revenues are primarily requisition and are on plan.
2.610	Saanich Peninsula Water Supply	9,251,293	1,623,964	18%	16%	9,251,000	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budget.	9,251,293	1,516,140	16%	17%	9,251,000	0%	Revenues are driven by seasonal water sales. Demand is forecasted to be similar to the prior year and in line with the plan. Generally, fall and winter are periods of low usage, while spring and summer see higher volumes.
2.670	Regional Water Supply	48,804,152	9,869,639	20%	20%	48,753,513	0%	Operational services and system maintenance are proceeding as planned. Expenditures are forecasted to be slightly below budget due to temporary staff vacancies and the timing of filling new positions.	48,804,152	8,257,808	17%	17%	48,804,000	0%	Revenues are driven by seasonal water sales. Demand is forecasted to be similar to the prior year and in line with the plan. Generally, fall and winter are periods of low usage, while spring and summer see higher volumes.
2.680	Juan de Fuca Water Distribution	31,639,954	6,130,696	19%	19%	31,640,000	(0%)	Operational services and system maintenance are proceeding as planned. Expenditures are forecasted to remain in line with the budget.	31,639,954	4,326,601	14%	11%	31,640,000	(0%)	Revenues are driven by seasonal water sales. Demand is forecasted to be similar to the prior year and in line with the plan. Generally, fall and winter are periods of low usage, while spring and summer see higher volumes.
3.717	Core Area Wastewater Operations	41,730,543	9,222,126	22%	23%	41,633,263	0%	Service delivery proceeding as planned. Minor savings are projected to be achieved, primarily from supplies, and repair and maintenance expenses. However, these savings are largely offset by higher costs for contracted services and consulting.	41,730,543	1,114,316	3%	3%	41,730,543	0%	Revenues are comprised of approximately 98% from requisition and 2% from other sources, including revenue from the residual treatment facility and transfers from the Operating Reserve Fund to cover other one-time costs.
3.718	Saanich Peninsula Wastewater	5,406,370	1,412,257	26%	23%	5,345,384	1%	Service delivery proceeded as planned. Minor savings achieved to date are primarily due to reduced labour costs and interest savings resulting from delayed borrowing. However, these savings are expected to be partially offset by higher repair and maintenance costs, as well as contract for services expenses.	5,406,370	29,971	1%	1%	5,406,370	0%	Approximately 97% of revenues come from requisitions, with the remaining 3% derived from various sources, including reserve transfers, heat recovery from the Panorama Recreation Centre, and lab service recoveries. Overall, revenue is expected to remain on target.
3.755	Regional Source Control	1,795,828	418,942	23%	23%	1,771,549	1%	Service delivery continuing as planned. No changes anticipated at this time.	1,795,828	106,839	6%	6%	1,771,549	1%	Revenues are primarily from requisition, and forecast slightly below plan due to less permit fee revenue.
Total Services above		362,412,183	86%			356,466,077			362,412,183	86%			361,270,348		
Other CRD Services		59,334,317	14%						59,334,317	14%					
Total CRD*		<u>421,746,500</u>							<u>421,746,500</u>						

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CRHD	Capital Regional Hospital District	32,746,405	2,845,868	9%	9%	31,561,444	4%	Savings forecasted due to reduced feasibility studies spending, and anticipated lower maintenance costs forecasted for 950 Kings, The Summit, and Oak Bay Lodge properties.	32,746,405	2,328,530	7%	7%	32,546,405	1%	Lower transfer from property management reserve required to fund 950 Kings and Royal Bay properties due to forecasted savings on maintenance costs.
Total CRHD		<u>32,746,405</u>							<u>32,746,405</u>						
CRHC	Administration	4,944,521	1,127,404	23%	23%	4,774,265	3%	Forecast below budget due to savings from temporary vacancies experienced in Q1.	5,066,388	1,187,168	23%	22%	5,066,388	0%	Revenue is recovery of costs charged to buildings. Revenue on plan.
CRHC	Development Services	1,946,487	272,791	13%	15%	1,828,379	10%	Forecast below budget due to savings from temporary vacancies experienced in Q1.	2,033,152	158,760	8%	7%	2,033,152	0%	Revenue is Project Management fee charged for ongoing projects. Revenue is on plan.
CRHC	CHF Operating	5,831,046	792,860	14%	11%	5,906,783	(1%)	Forecast higher than budget due to unexpected costs at Caledonia (addressing new building items) and Michigan (fire system issues). Savings from temporary staff vacancies partly offsetting these unexpected costs.	5,831,047	603,024	10%	11%	5,281,047	9%	Revenue is from rent 53%, subsidy 45% and other 2%. Revenue lower than planned due to rent up of Caledonia.
CRHC	UOA buildings	12,835,913	2,940,866	23%	25%	13,031,933	(2%)	Forecast higher than budget due to higher maintenance costs in Q1. Savings from temporary staff vacancies partly offsetting these unexpected costs.	13,504,087	3,478,523	26%	27%	13,517,071	(0%)	Revenue is from rent 85%, subsidy 14% and other 1%. Revenue is on plan.
CRHC	ILBC building	269,145	202,130	75%	16%	206,917	23%	Forecast lower than budget primarily due to savings from contracted services and mortgage payments. These savings resulted from the timely transfer of Parry Place to Beacon Community Services.	269,145	195,957	73%	26%	171,867	36%	Revenue is from rent 32%, subsidy 67% and other 1%. Revenue is lower than plan as subsidies lower than expected.
CRHC	NOA buildings	1,407,920	295,538	21%	24%	1,407,920	(0%)	Operating expenses are on track with budget.	1,319,778	339,189	26%	24%	1,319,778	0%	Revenue is primarily from rent with a very small amount from other, less than 1%. Revenue is on plan.
CRHC	RHFP buildings	11,443,951	2,631,484	23%	24%	11,429,002	0%	Forecast slightly below budget due to savings from vacancies experienced in Q1.	10,917,745	2,828,155	26%	23%	10,626,794	3%	Revenue is driven by rental income (97%), with the remaining 3% from other sources. Revenue is slightly lower than budget due to an unplanned increase in unit vacancies resulting from a softening rental market.
CRHC	IHI building	861,919	194,517	23%	24%	861,919	(0%)	Operating expenses are on track with budget.	963,889	250,876	26%	26%	963,889	(0%)	Revenue is primarily from rent 97% and other 3%. Revenue is on plan.
CRHC	RR Services	605,464	88,116	15%	11%	579,311	4%	Forecast slightly below budget due to savings from vacancies experienced in Q1.	605,464	151,366	25%	25%	605,464	0%	Revenue is based on cost recovery. Revenue is on plan.
Total CRHC		<u>40,146,365</u>							<u>40,510,694</u>						
Total Services (CRD + CRHD + CRHC)		<u>\$494,639,270</u>							<u>\$495,003,599</u>						
									39,585,450						