

**Capital Regional District
Quarterly Operating Variance Report - Q1, 2024
Service Budgets Greater than \$1,500,000**

Service Number	Service Description	Operating Expenses							Operating Revenue						
		Year to Q1				Annual Forecast			Year to Q1				Annual Forecast		
		Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	2023 % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	2023 % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation
1.010	Legislative & General	39,599,526	9,418,316	24%	20%	38,788,250	2%	Savings are primarily related to one-time staff vacancies, hiring delays, and the timing of costs for the S/4Hana conversion project in 2024.	39,599,526	6,879,835	17%	18%	39,160,887	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 reserve funds being required for project salary and consultancy costs.
1.105	Facility Management	2,151,733	447,055	21%	23%	2,150,000	0%	Service is facilities management services delivered to CRD HQ and satellite facilities. Savings experienced in Q1 due seasonal variance in expenditures and temporary vacancies, forecast to with offset of additional auxiliary staffing.	2,151,733	437,506	20%	25%	2,150,000	0%	Revenues derived from delivery of service to other services and projected to remain on plan for the year.
1.106	CRD Headquarters Building	2,204,840	533,096	24%	28%	2,205,000	0%	Service experienced no significant variance in operating costs during Q1 and is projected to be on plan for the fiscal year.	2,204,840	542,695	25%	25%	2,205,000	0%	Service provides office space to other CRD services and is forecasted on plan.
1.112	CRD Regional Grant in Aid	1,609,336	-	-	-	-	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.	1,609,336	1,586,855	99%	100%	1,609,336	0%	Service revenue is 100% surplus carryforward.
1.226	Health Facilities - VIHA	1,776,222	152,839	9%	11%	1,775,000	0%	Service provides leased buildings to VIHA, and is 100% recovered from tenant. Q1 is on budget, with reserve transfers representing a large proportion of the budget to be made later in the fiscal year.	1,776,222	386,283	22%	23%	1,775,000	0%	Service provides leased buildings to VIHA, and is 100% recovery from tenant. Any deficit will be recovered from VIHA and any surplus refunded to VIHA.
1.280	Regional Parks	19,684,346	3,346,876	17%	16%	19,680,000	0%	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.	19,684,346	959,005	5%	6%	19,690,000	0%	Revenues are primarily from requisition and are on plan.
1.297	Arts Grants & Development	3,208,277	105,141	3%	3%	3,208,000	0%	Service is a grant funding service, which had limited grant distribution in Q1. Projecting to disburse remaining budget for grant funding to arts organisations in the remaining quarters.	3,208,277	187,689	6%	6%	3,208,000	0%	Revenues are primarily from requisition and are on plan.
1.309	Climate Action and Adaptation	2,864,096	427,359	15%	14%	2,850,000	0%	Operational services are continuing as planned, and forecasted to be in line with budget for the year.	2,864,096	334,253	12%	5%	2,870,000	0%	Revenues are primarily from requisition, and forecast slightly above plan due to additional grant revenue.
1.310	Land Banking & Housing	3,679,545	435,825	12%	14%	3,604,545	2%	Forecasting one-time salary savings due to staff turnover and hiring challenges.	3,679,545	559,788	15%	13%	3,733,545	-1%	Revenues are approximately 54% requisition, 22% grants, and 24% allocation recoveries and surplus carryforward. Forecasted on plan.
1.311	Regional Housing Trust Fund	4,178,799	8,369	0%	0%	43,799	99%	Expenses are driven by internal and external grants, with timing contingent on external factors such as municipal approvals. Any surpluses are carried forward. Forecasted on plan with approximately \$3.2 million of committed grants to be disbursed to be disbursed to projects in 2027 and 2028.	4,178,799	3,320,507	79%	71%	4,211,599	-1%	Revenues are 77% surplus carryforward, 17% requisition and 6% other. Forecasted largely on plan with slightly higher revenues due to unanticipated donations.
1.313	Animal Care Services	1,737,305	450,412	26%	29%	1,763,365	-1%	Forecasted expenses are slightly above budget due to increased auxiliary staff and overtime costs due to temporary staff vacancies.	1,737,305	459,642	26%	25%	1,789,424	-3%	Service is funded approximately 28% from requisition, 56% from contract revenue, 14% from dog tag sales and 2% from other. Forecasted surplus is due to higher than expected adoption fee revenue and additional contract revenue from the service contracts.
1.318	Building Inspection	2,241,973	449,257	20%	22%	2,191,900	2%	Operating expenses are on plan, with some annual savings forecasted for temporary staff vacancies that will continue into Q2.	2,241,973	245,410	11%	23%	2,241,900	0%	Service is funded approximately 65% by permit fee revenue, with the balance funded by requisition and reserve. Permit fee revenue is lower than expected in Q1, but forecasted to be made up in Q2 and Q3 from several large projects on SSI that will generate additional permit fee revenue.
1.324	Regional Planning Services	2,227,436	337,122	15%	21%	2,177,436	2%	Operating expenses are on expected to be lower than budget due to savings from temporary staff vacancies.	2,227,436	283,550	13%	5%	2,222,700	0%	Revenue is approximately 60% requisition, 37% operating reserve and 3% other. Overall revenue is forecasted on plan.
1.40X	SEAPARC	5,243,766	1,010,450	19%	23%	5,245,000	0%	Service has a seasonal nature to operating expenses. In line with service delivery, 2024 operations are projected higher than 2023 due to the recovery from pandemic conditions and the contribution of the fitness gym. Forecasted in line with budget for the year.	5,243,766	510,506	10%	11%	5,245,000	0%	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	10,810,738	2,092,397	19%	20%	10,810,000	0%	Service utilization recovered from pandemic conditions. Due to seasonal nature of service full year expense projected to be in line with budget.	10,810,738	1,549,071	14%	14%	10,810,000	0%	Revenues are approximately 51% from requisition; 49% from fees and other. Service project to be on plan for the year.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	2,439,891	584,028	24%	32%	2,398,891	2%	Forecasting operating expenses will be under budget due to decreased fuel costs, and lower wages due to temporary staff vacancies.	2,439,891	155,456	6%	7%	2,425,891	1%	Forecasting operating revenue will be slightly under budget due to lower facility rental revenue. Revenue from the pool recreation programs is expected to be on budget.

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1.521	Environmental Resource Management	38,751,084	8,575,818	22%	23%	38,801,084	0%	Operational services are continuing as planned. Experienced increased costs with emerging leachate management issues and continued shredder pilot.	38,751,084	8,837,731	23%	29%	38,551,084	1%	Tipping fee revenues higher due to an increased quantity of RTF residuals being received. Excessive disposal of banned materials resulting in more tickets being issued. RNG Net Sales Revenue will be lower due to the postponed project completion date of the Hartland Biogas Upgrading Facility Plan construction.
1.576	Environmental Engineering Services	3,007,695	638,952	21%	23%	3,000,000	0%	Service provides engineering and project management services to multiple services across the CRD's recreation and environmental management services. Small savings in Q1 from temporary staff vacancies, but not anticipated to continue throughout the year.	3,007,695	674,151	22%	25%	3,000,000	0%	Revenues are driven by providing services to other CRD services which continue to operate as planned. Recovery revenue from CRD service forecasted to be in line with annual budget.
1.577	IW - Environmental Operations	14,549,517	3,059,617	21%	22%	14,343,980	1%	Overhead service budget, continuing to deliver services as planned. Expenditures forecasted under budget largely due to temporary staff vacancies.	14,549,517	3,622,609	25%	23%	14,519,612	0%	95% of revenue is driven by labour recovery, providing services to other CRD services. The remaining 5% of revenue is from reserves' transfer to cover one-time costs. Recovery revenue from CRD services forecasted to be slightly below annual budget due to staff vacancies.
1.578	Environmental Protection and Water Quality	9,337,895	2,170,408	23%	25%	9,187,895	2%	Overhead service budget, continuing to provide service as planned. Forecast largely on plan, with some minor savings on temporary staff vacancies.	9,337,895	2,357,226	25%	26%	9,330,000	0%	Revenues are driven by providing services to other CRD services that continue to operate as planned.
1.911	911 Systems	2,606,719	388,025	15%	15%	2,612,919	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.	2,606,719	588,338	23%	23%	2,616,719	0%	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	1,932,993	500,274	26%	25%	1,935,137	0%	This is a contribution service that provides support to CREST based on service agreement. Operating expenses are on track with budget	1,932,993	96,942	5%	5%	1,930,493	0%	Operating revenues are primarily requisition and are on plan.
2.610	Saanich Peninsula Water Supply	7,892,266	1,292,483	16%	18%	7,892,000	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budget.	7,892,266	1,314,861	17%	17%	7,892,200	0%	Revenues are driven by seasonal water sales. Demand is forecast to be similar to prior year and in line with plan.
2.670	Regional Water Supply	42,114,204	3,752,604	9%	10%	42,114,200	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budget.	42,114,204	6,951,475	17%	17%	42,114,200	0%	Revenues are driven by seasonal water sales. Demand is forecast to be similar to prior year and in line with plan.
2.680	Juan de Fuca Water Distribution	26,026,524	3,070,357	12%	12%	26,026,500	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budget.	26,026,524	2,133,268	8%	11%	26,026,500	0%	Revenues are driven by seasonal water sales. Demand is forecast to be similar to prior year and in line with plan.
3.717	Core Area Wastewater Operations	34,192,131	7,422,474	22%	23%	35,081,915	-3%	Operational services are on track as planned. Overspending on waste sludge disposal at the Hartland facility and legal costs during the initial months were offset by temporary underspending on chemicals, utilities, and labor consumption. If waste sludge continues to be landfilled, a budget amendment is likely to occur, transferring funds from the Operating Reserve Fund.	34,192,131	962,285	3%	3%	35,081,915	-3%	Revenues are approximately 95.66% from requisition, 4.34% from other, with a potential transfer from Operating Reserve Fund to cover continued landfilling of waste sludge.
3.718	Saanich Peninsula Wastewater	4,993,969	942,496	19%	24%	4,894,877	2%	The service delivery proceeded as planned. In Q1, savings were realized in labor consumption, with a portion offset by utilities. The majority of these savings are anticipated to be utilized later in the year.	4,993,969	71,696	1%	5%	4,993,969	0%	Revenues are approximately 93% from requisition, with the remaining 7% derived from various sources including reserve transfers, heat recovery from Panorama Recreation Centre, and lab service recoveries. Overall revenue is expected to be on plan.
3.755	Regional Source Control	1,674,718	428,694	26%	24%	1,670,000	0%	Service delivery continuing as planned. No changes anticipated at this time, and forecasted in line with plan.	1,674,718	115,820	7%	7%	1,678,718	0%	Revenues are primarily from requisition, and forecasted in line with plan.
Total Services above		292,737,544		84%					292,737,544		84%				
Other CRD Services		54,410,379		16%					54,410,379		16%				
Total CRD		347,147,923							347,147,923						

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CRHD	Capital Regional Hospital District	33,548,386	2,786,288	8%	9%	32,902,768	2%	Savings forecasted due to deferred feasibility studies, and lower maintenance costs forecasted for 950 Kings, The Summit, and Oak Bay Lodge properties.	33,548,386	2,857,111	9%	6%	33,484,171	0%	Lower transfer from property management reserve required to fund 950 Kings and Royal Bay properties due to savings on maintenance costs, partially offset by higher property revenue due to recovery of insurance costs from Island Health for The Summit.
Total CRHD		33,548,386							33,548,386						
CRHC	Administration	3,818,333	784,959	21%	19%	3,608,950	5%	Forecasting some administrative expense savings due to staff vacancies and turnover.	3,818,333	898,045	24%	26%	3,818,334	0%	Revenue is tied to fixed property management fees, and forecasted on plan.
CRHC	Development Services	1,176,033	168,522	14%	16%	1,109,746	6%	Savings forecasted due to staff vacancy and hiring challenges.	1,481,337	79,791	5%	7%	1,291,851	13%	Revenues are 100% project management fees from multiple projects, with a large amount budgeted in Q3 for Michigan.
CRHC	CHF Operating	1,699,528	269,648	16%	15%	1,631,902	4%	Forecasted savings primarily due to the opening of Michigan B delayed from late Q2 to Q3.	1,699,528	260,748	15%	18%	1,600,295	6%	Revenues are approximately 50% tenant rents and 50% provincial subsidies. Forecasting slightly lower revenues due to delayed opening of Michigan B from late Q2 to Q3.
CRHC	UOA buildings	13,485,092	3,300,623	24%	25%	13,407,827	1%	Forecasted to be on track with plan with some minor savings in salaries primarily due to caretaker vacancies.	13,378,911	3,415,681	26%	26%	13,370,762	0%	Forecasted on plan.
CRHC	ILBC building	927,858	227,453	25%	25%	934,874	-1%	Forecasting increased expense due to the contracted first aid service at Parry Place.	927,858	165,803	18%	24%	878,368	5%	Revenues are approximately 60% provincial subsidies and 40% tenant rents. Island Health controls occupancy and subsidy is adjusted based on occupancy. Forecasting lower tenant rent and lower subsidy due to tenant vacancies.
CRHC	NOA buildings	1,730,942	406,551	23%	25%	1,697,531	2%	Forecasted on plan with some small savings in caretaker salaries and utilities.	1,761,248	441,069	25%	26%	1,764,275	0%	Revenues are 100% from tenant rents and forecasted on plan.
CRHC	RHFP buildings	9,986,408	2,248,532	23%	23%	9,865,365	1%	Forecasted on plan with some minor savings in utilities and salaries due to caretaker vacancies.	9,898,206	2,443,900	25%	23%	9,775,601	1%	Forecasted on plan.
CRHC	IHI building	793,641	186,704	24%	25%	782,926	1%	Forecasted on plan.	847,993	221,224	26%	25%	884,896	-4%	Revenues are 100% tenant rents. Forecasting increased revenue due to increased occupancy.
CRHC	RR Services	591,142	32,571	6%	n/a	429,780	27%	Savings forecasted due to staff vacancies and hiring delays.	591,142	147,787	25%	n/a	429,780	27%	Administration costs are 100% recovered from capital replacement reserves. Estimating a lower recovery due to staff vacancies and hiring delays.
Total CRHC		33,617,835							33,813,414						
Total Services (CRD + CRHD + CRHC)		\$414,314,144							\$414,509,723						