

**Capital Regional District
Quarterly Operating Variance Report - Q4, 2025
Service Budgets Greater than \$1,500,000**

		2025 Operating Expenses				2025 Operating Revenue			
			Year to Q4				Year to Q4		
Service Number	Service Description	Annual Budget \$ (Schedule A)	Actual \$	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actual \$	% Budget (over)/under	Explanation
1.010	Legislative & General	44,195,605	40,577,395	8%	Final savings due primarily to one-time staff vacancies experienced throughout the year, and one-time spending for initiatives in 2025 being carried forward to 2026.	44,195,605	43,366,239	2%	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 due to reduction in funds required for one-time initiatives.
1.105	Facility Management	2,158,469	1,773,269	18%	Service is facilities management services delivered to CRD HQ and satellite facilities. Savings experienced due to temporary vacancies and a delayed vehicle purchase.	2,158,469	1,875,476	13%	Revenues derived from delivery of service to other services are below plan for the year due to vacancies.
1.106	CRD Headquarters Building	2,742,025	2,624,944	4%	Service experienced savings relative to the budgeted cost of the Douglas office space and parking for the year.	2,742,025	2,644,118	4%	Service provides office space to other CRD services and is slightly below plan, partially due to less utilization of the building's vehicle fleet.
1.111	Electoral Area Admin Exp - SSI	1,598,333	1,503,975	6%	Expenses are under budget mainly due to a temporary staff vacancy, and savings on legal services and building rental.	1,598,333	1,504,954	6%	Service is funded approximately 55% from requisition, 42% from labour recovery allocation and 3% from other. Lower recovery allocations, mainly due to a temporary staff vacancy for an engineering technician position.
1.112	CRD Regional Grant in Aid	1,692,433	-	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.	1,692,433	1,714,451	(1%)	Service revenue is primarily surplus carry forward with a minor increase in interest income revenue.
1.226	Health Facilities - VIHA	1,811,746	1,128,514	38%	Service provides leased buildings to VIHA, and is 100% recovered from tenant. The fiscal year is under budget largely due to reduced requirements for maintenance costs.	1,811,746	1,570,654	13%	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	21,310,198	20,182,118	5%	Service experiences a seasonal nature to expenditures, primarily weighted to Q2 and Q3. Partial payroll savings were redirected to other projects that are currently experiencing resource constraints. Additional savings resulted from the delay in borrowing related to capital projects.	21,310,198	21,329,718	(0%)	Revenues are primarily from requisition, and are on plan.
1.297	Arts Grants & Development	3,301,886	3,263,957	1%	Service is a grant funding service, grants were below budget due to funds returned from grantee.	3,301,886	3,342,970	(1%)	Revenues are primarily from requisition and are over plan, due to funding from the performing arts facility feasibility project.
1.309	Climate Action and Adaptation	3,081,849	2,002,993	35%	Savings are primarily related to the timing of contract costs for the Home Energy Retrofit program and reduced transfer to capital fund related to Regional Public EV Network Program.	3,081,849	2,189,839	29%	Revenues are primarily from requisition, and was below plan due to less ICIP (Investing in Canada Infrastructure Program) grant revenue related to Regional Public EV Network Program and reduced transfer from operating reserve.
1.310	Land Banking & Housing	5,521,962	5,026,003	9%	Savings due staffing vacancies and a consulting contract started later than anticipated. The consulting contract will be completed in 2026.	5,521,962	5,521,329	0%	Revenues are approximately 54% requisition, 22% grants, 24% allocation recoveries and surplus carry forward.
1.311	Regional Housing Trust Fund	4,362,430	1,533,129	65%	Savings due to delay in issuing grants for Village on the Green, Verdier and the Rural Housing Pilot Program, to be completed in 2026.	4,362,430	4,414,915	(1%)	Revenues are 95% surplus carry forward, 1% PILT and 4% other.
1.313	Animal Care Services	1,888,210	1,970,795	(4%)	Expenses above budget mainly due to higher auxiliary wages and overtime required during temporary staff vacancies, higher vet services and vehicle costs.	1,888,210	1,924,714	(2%)	Service is funded approximately 28% from requisition, 52% from contract revenue, 14% from dog tag sales and 6% from other. Revenues are over budget mainly due to higher animal shelter service fees, donations and fines.
1.318	Building Inspection	2,403,242	2,090,047	13%	Operating expenses under budget, mainly due to savings in salaries due to temporary staff vacancy, partially offset by higher auxiliary wages; lower equipment purchases, travel costs and deferral of ORF funded Digitization Records project.	2,403,242	2,121,995	12%	Service is funded by approximately 55% permit fee revenue, with the balance funded by requisition (32%), reserve funds (10%) and other (3%). Lower revenue mainly due to lower permit fees revenue and the deferral of Digitization Records project, funded by operating reserve.
1.324	Regional Planning Services	2,989,383	1,621,739	46%	Operating expenses are lower than budget due temporary staff vacancies and the deferral of one-time reserve funded Island Corridor Consultation, Transportation Model, and Transportation planning projects.	2,989,383	1,631,081	45%	Revenue is approximately 80% requisition, 10% operating reserve and 10% other. Reduction of revenue is due to deferral of one-time ORF Island Corridor Planning & Consultation, Transportation Model, and Transportation Planning projects; other revenue is on plan.
1.40X	SEAPARC	5,711,058	5,676,798	1%	Service has a seasonal nature to operating expenses. In line with service delivery, 2025 operations are higher than 2024 due to growth in service delivery. In line with budget for the year, except for savings in payroll cost due to temporary vacancies.	5,711,058	5,700,762	0%	Revenues are approximately 61% from requisition; 39% from fees and other. Service is on plan for the year with a minor under performance in fee income and higher than budgeted rental income.

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1.44X	Panorama Rec. Center	11,508,989	11,652,496	(1%)	Service has a seasonal nature to operating expenses. In line with service delivery, 2025 operations are higher than 2024 due to growth in service delivery. In line with budget for the year with slightly higher costs related to additional program intake.	11,508,989	11,862,984	(3%)	Revenues are approximately 51% from requisition; 49% from fees and other. Service is slightly over plan for the year due to higher program uptake.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	2,713,369	2,546,229	6%	Operating expenses lower than budget mainly due to savings for vacancy in parks manager position, lower fuel and R&M costs for Salt Spring Island Middle School (SIMS) community centre, as well as deferral of ORF-funded HVAC duct cleaning project. These savings are partially offset by higher software licences cost and auxiliary wages.	2,713,369	2,648,542	2%	Operating revenue under the budget mainly due to lower rental revenue from Phoenix building and SIMS (Salt Spring Island Middle School) buildings, lower internal labour recovery and deferral of HVAC duct cleaning project, funded by ORF.
1.521	Environmental Resource Management	52,223,347	50,308,688	4%	Operational savings resulted from reduced curbside recycling & EA recycling costs, reduced leachate operation & Solid Waste Management Planning costs, reduced landfilling costs, partially offset by increased costs for Hartland Diversion programs.	52,223,347	50,189,092	4%	RNG sales revenue is lower than budgeted due to postponed project completion date of the Hartland Biogas Upgrading Plant construction. Amount of waste received was lower than budgeted. Excessive disposal of banned materials resulting in more tickets being issued. Increased payments from EPR programs due to more materials being received.
1.576	Environmental Engineering Services	3,851,300	3,183,134	17%	Service provides engineering and project management services to multiple services across the CRD's recreation and environmental management services. Savings primarily from temporary staff vacancies and post postponement of feasibility project.	3,851,300	3,277,356	15%	Revenues are driven by providing services to other CRD services which continue to operate as planned. Recovery revenue from CRD service below annual budget due to staff vacancies and reduced transfer from operating reserve for the planned feasibility study (fund for L&G operating reserve).
1.577	IWS - Environmental Operations	15,682,076	15,076,460	4%	Overhead services are being delivered as planned. Actual expenditures are below budget, primarily due to temporary staff vacancies and the deferral of vehicle-related costs, as the ordered vehicle is not expected to be delivered until 2026.	15,682,076	15,066,384	4%	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 staff vacancies during the year, as well as the planned deferral of the reserve transfer to 2026 to align with the vehicle delivery, which is now scheduled for 2026.
1.578	Environmental Protection and Water Quality	9,728,043	9,179,247	6%	Overhead services are being delivered as planned. Operating expenses are lower than budget primarily due to vacancies on new positions, combined with delayed backfilling of existing positions. Additional savings from supplies, staff training, program development, contract for services and a reduced transfer to Environmental Water Quality reserve.	9,728,043	9,226,965	5%	Revenues are driven by providing services to other CRD services. Recovery revenue from CRD services below annual budget due to staff vacancies on new positions, combined with delayed backfilling of existing positions.
1.911	911 Systems	2,677,917	2,627,475	2%	This service collects 911 levies from phone carriers and distributes a percentage to participating municipalities. Variance is due to decreased levies received and distributed.	2,677,917	2,611,152	2%	Sources of revenue are fixed source requisitions, lease revenue, and variable 911 levies received from phone carriers. Call levy revenue received was below budget.
1.921	Regional CREST	2,008,152	2,011,416	(0%)	This is a contribution service that provides support to CREST based on service agreement. Small variance is due to higher internal interest expense.	2,008,152	2,008,011	0%	Operating revenues are primarily requisition and are on plan.
2.610	Saanich Peninsula Water Supply	8,325,361	8,353,332	(0%)	Operational services and system maintenance are proceeding as planned. Higher forecast wholesale water costs, driven by increased consumption, are partly offset by lower operations allocations.	8,325,361	9,083,620	(9%)	Revenues are driven by seasonal water sales, with lower usage in fall and winter and higher volumes in spring and summer. For 2025, demand exceeded plan, resulting in higher water sales revenue than budget.
2.670	Regional Water Supply	44,959,023	44,853,206	0%	Operational services and system maintenance remained on track with planned activities. Operating expenditures were modestly below budget due to short-term staff vacancies and lower debt servicing costs.	44,959,023	46,118,585	(3%)	Revenues are driven by seasonal water sales, with lower usage in fall and winter and higher volumes in spring and summer. For 2025, demand has exceeded plan, resulting in higher water sales revenue. In addition, the service realized additional DRF revenue on maturing debt issuances and interest income on working capital.
2.680	Juan de Fuca Water Distribution	29,313,997	30,587,370	(4%)	Operational services and system maintenance are proceeding as planned. Wholesale water expenditures were higher than plan due to higher consumption and increases in vehicle maintenance costs. These cost increases are partially offset by temporary staff vacancies, lower operations allocations, and reduced debt servicing.	29,313,997	31,346,774	(7%)	Revenues are driven by seasonal water sales, with lower usage in fall and winter and higher volumes in spring and summer. For 2025, demand has exceeded plan, resulting in higher water sales revenue.
3.717	Core Area Wastewater Operations	43,081,923	42,687,294	1%	Two budget amendments were made to the service to address increased waste sludge disposal costs in Q2, and the Residual Treatment Facility settlement in Q4. After these amendments, there are minor savings at year end, primarily in supplies, labour, and utilities. However, these partial savings are largely offset by additional expenditures related to the Marine Monitoring Program, the Marine Assessment, and contracted services.	43,081,923	43,085,922	(0%)	Revenues are comprised of approximately 84.3% from requisitions and 15.7% from other sources, primarily a transfer from the Operating Reserve Fund to address overspending related to waste sludge, the RTF settlement, and other one-time costs.

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3.718	Saanich Peninsula Wastewater	5,215,006	5,036,897	3%	Service delivery proceeded as planned. Savings achieved to date are primarily from reduced labour costs, electricity costs and interest savings due to delayed borrowing. However, these savings are largely offset by higher costs for sludge hauling and waste-sludge disposal.	5,215,006	5,075,897	3%	Approximately 97.3% of revenues are generated from requisitions, with the remaining 2.7% derived from other sources, including heat recovery revenue from the Panorama Recreation Centre and laboratory service recoveries. Actual heat recovery revenue is below budget due to a lower annual rate being set, and the planned transfer from the Operating Reserve Fund (ORF), originally intended to support increased tipping fees and contract hauling costs, is no longer required.
3.755	Regional Source Control	1,755,201	1,701,594	3%	Operational services continued as planned. Operating expenses are slightly lower than the budget mainly due to the deferral of some consultant work to 2026 offset by increased internal interest costs.	1,755,201	1,668,602	5%	Service revenue is primarily from requisition. Overall revenue is under budget. Reserve transfer will be lower due to postponed consultant work.
Total Services above		337,812,533	86%			337,812,533	86%		
Other CRD Services		52,932,879	14%			52,932,879	14%		
Total CRD*		390,745,412				390,745,412			

CRHD	Capital Regional Hospital District	33,096,568	32,036,232	3%	Savings are primarily due decreased debt servicing costs associated with reduced capital activity by Island Health. Additional savings resulted from lower maintenance requirements at the 950 Kings, The Summit, and Oak Bay Lodge properties. Further savings arise from reduced Health Planning expenditures and the deferral of scheduled feasibility studies.	33,096,568	33,453,763	(1%)	A lower transfer from the property management reserve was due to higher surplus payouts associated with maturing debt. This impact is partially offset by lower transfers from the property management reserve due to savings on maintenance costs for the 950 Kings and Royal Bay properties.
Total CRHD		33,096,568				33,096,568			

CRHC	Administration	4,915,014	4,602,121	6%	Savings primarily due to staff vacancies which offset increases in costs for software licenses, computer equipment and consulting.	4,915,014	4,750,682	3%	Shortfall in revenue due to budgeted year-end internal transfer of \$324K not required as there was sufficient revenue to cover costs.
CRHC	Development Services	1,878,992	1,489,553	21%	Savings primarily due to delayed hiring which offset higher than expected cost increases for equipment purchases.	1,942,980	1,660,098	15%	Shortfall in revenue due to projects delays (namely Campus View, Village on the Green and Cedar Hill) which resulted in lower management fees charged to BC Housing.
CRHC	CHF Operating	4,160,098	2,246,548	46%	Savings due to delay in opening of Caledonia, now expected in Q1 2026, most significant saving is mortgage expense of \$1.5M.	4,160,098	1,737,952	58%	Reduced revenue due to slow rent up at Michigan and delay in opening of Caledonia to Q1 2026.
CRHC	UOA buildings	13,300,044	13,124,760	1%	Savings primarily due to lower than budgeted water expenditure.	13,379,813	14,328,978	(7%)	Increases to revenue driven annual rent adjustments and insurance claims reimbursements.
CRHC	ILBC building	932,891	929,283	0%	Savings due to staff vacancies.	932,891	971,093	(4%)	Higher revenue due to subsidy for tenant vacancies.
CRHC	NOA buildings	1,783,359	1,674,436	6%	Savings due to staff vacancies and lower than budgeted water expenditure.	1,839,812	1,437,047	22%	Revenue lower as both Campus View and Village on Green were decommissioned for redevelopment from Q2.
CRHC	RHFP buildings	10,833,892	10,539,541	3%	Savings due to staff vacancies and lower than budgeted insurance costs.	10,965,517	10,351,548	6%	Shortfall is revenue driven primarily by higher than expected tenant vacancies due to a number of exogenous factors including increased competition on the Westshore.
CRHC	IHI building	792,301	825,706	(4%)	Higher than planned operations & maintenance costs, partially offset from temporary staff vacancies.	930,841	977,250	(5%)	Higher revenue primary due to higher than budget rental income and other revenue.
CRHC	RR Services	646,565	494,416	24%	Savings due to staff vacancies and reduced consulting expenditure.	646,565	494,416	24%	As revenue is based on internal allocations, the amount transferred equals actual costs.
Total CRHC		39,243,156				39,713,531			
Total Services (CRD + CRHD + CRHC)		\$463,085,136				\$463,555,511			

*Amended Budget as at Nov 12, 2025 (Bylaw 4738)