

TO: Council

FROM: Executive Committee

DATE: May 27, 2019

SUBJECT: 3.2 Financial Variance Report for Period Ending April 30, 2019

Purpose:

The attached Financial Variance Report for the period ending April 30, 2019, is submitted to Council for its review.

For Consideration:

This report identifies current financial information for Revenue, Council and Committee expenses and Operations and Administrative expenses.

Revenue:

Total Revenue for this period shows a variance of -\$241,571, which represents a -8% variance to the budget. The bulk of this revenue stream includes optician renewals for the year, new optician applications and registration, optician reinstatements and any penalties levied throughout the year (late fees, reinstatement fees, QA fees). Revenue from the spring 2019 National Examinations session is not realized in this report.

Council & Committee Expenditures:

Total Council and Committee expenditures for this period shows a variance of -\$134,578, which represents a -67% variance to the budget. Included here are Council and Committee member honoraria and expenses for attendance at meetings of the Council and any committees on which they sit, FHRCO/other Discipline Committee member training sessions. The honoraria rate increased on October 1.

Operations & Administration Expenditures:

Total Operations & Administration expenditures for this period show a variance of -\$ 1,845,243, which represents a -70% variance to the budget. Included here are College operational and administrative

expenses such as communications activities, consultants, new database development and ongoing IT service and maintenance, external personnel which includes examiners and models for the National Registration Exams, external relations activities, general operational expenses, rent and salaries.

Total Accumulated Surplus/Deficit to April 30, 2019:

Surplus year-to-date (revenue less expenditures)	\$ 1,928,931
Surplus beginning of the year	\$ 3,794,713

Recommendation:

For information only.

COLLEGE OF OPTICIANS OF ONTARIO
FINANCIAL VARIANCE REPORT TO COUNCIL FOR PERIOD ENDING APRIL 30, 2019

	A	B	C	E	F	G	H
1		2019 Budget	Actuals at April 30, 2019	Actuals at April 30, 2018	Variance to 2019 Budget	Variance %	Notes
2	Total Revenue	\$ 3,111,000	\$ 2,869,429	\$ 2,702,960	-\$ 241,571	-8%	
3	National Examination Fees	\$ 140,000	\$ -	\$ -	-\$ 140,000	-100%	Two National Examinations occur in May and October. <i>Revenue from the spring exam on May 3-5 not realized.</i>
4	Interest & Investment Income	\$ 48,000	\$ 27,338	\$ 104	-\$ 20,662	-43%	<i>Difference in actuals from 2018 to 2019 due to change in bookkeeping process to reconcile interest on a monthly basis.</i>
5	Miscellaneous Revenue	\$ 67,000	\$ 8,149	\$ 15,015	-\$ 58,851	-88%	Includes CE accreditation fees, dicipline costs owed, miscellaneous registration fees, PLAR and reinstatement fees for Registration Committee review, QA fees.
6	Optician Revenue	\$ 2,814,000	\$ 2,823,466	\$ 2,678,390	\$ 9,466	0%	<i>2019 Actual ROs Registered to April 30: 2950</i>
7	Student/Intern Revenue	\$ 42,000	\$ 10,476	\$ 9,451	-\$ 31,524	-75%	<i>A larger influx of intern registrations is anticipated in the fall.</i>
8	Council and Committee	\$ 200,000	\$ 65,422	\$ 52,666	-\$ 134,578	-67%	<i>Honoraria rate increase as of October 1, 2018.</i>
9	Council/Strategic Planning	\$ 60,000	\$ 23,741	\$ 22,728	-\$ 36,259	-60%	Budgeted: 2-day strategic planning session; 4 council days; 1 contingency <i>Actual to-date: 2-day strat</i>
10	Discipline	\$ 35,000	\$ 16,669	\$ 13,507	-\$ 18,331	-52%	Budgeted: 1-day all members discipline training; 4 hearings (8 days) and member FRHCO training <i>Actual to-date: 1-day all members training; 1 hearing; 1 rules of procedure meeting (unbudgeted)</i>
11	Executive	\$ 13,000	\$ 300	\$ 1,905	-\$ 12,700	-98%	Budgeted: 4 in-person, 2 teleconferences <i>Actual to-date: 2 teleconferences</i>
12	Fitness to Practice		\$ -	\$ -	\$ -		None budgeted
13	Governance	\$ 8,100	\$ 1,242	\$ 564	-\$ 6,858	-85%	Budgeted: 3 in-person, 1 teleconference <i>Actual to-date: 1 in-person</i>
14	Investigations, Complaints & Reports	\$ 25,500	\$ 9,053	\$ 4,788	-\$ 16,447	-64%	Budgeted: 4 in-person full-committee, 2 in-person panel, 12 panel teleconferences <i>2019 Actual To-date: 1 in-person full committee, 1 in-person panel, 5 panel teleconferences</i>
15	Patient Relations	\$ 4,600	\$ -	\$ 1,055	-\$ 4,600	-100%	Budgeted: 2 in-person, 1 teleconference <i>2019 Actual To-date: No meetings</i>
16	Quality Assurance	\$ 25,700	\$ 9,340	\$ 4,469	-\$ 16,360	-64%	Budgeted: 5 in-person, 6 full committee teleconferences, 6 panel teleconferences, 5 invigilation days, 1 in-person item writing day + 2 webinars <i>2019 Actual To-date: 3 in-person; 1 full committee teleconference, 2 invigilation days</i>
17	Registration Committee	\$ 15,000	\$ 5,078	\$ 3,650	-\$ 9,922	-66%	Budgeted: 6 in-person, 3 teleconferences <i>2019 Actual To-date: 2 in-person</i>
19	Standards of Practice Ad-Hoc	\$ 7,500	\$ -	\$ -	-\$ 7,500	-100%	Budgeted: 3 in-person <i>Actual To-date: 1 in-person, expenses not realized in this report</i>

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1		2019 Budget	Actuals at April 30, 2019	Actuals at April 30, 2018	Variance to 2019 Budget	Variance %	Notes

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FINANCIAL VARIANCE REPORT TO COUNCIL FOR PERIOD ENDING APRIL 30, 2019

	A	B	C	E	F	G	H
1		2019 Budget	Actuals at April 30, 2019	Actuals at April 30, 2018	Variance to 2019 Budget	Variance %	Notes
21	Operations & Administration	\$ 2,640,318	\$ 795,075	\$ 766,713	-\$ 1,845,243	-70%	
22	Communications	\$ 35,000	\$ 4,223	\$ 31,500	-\$ 30,777	-88%	Includes Citizens Advisory Group, public focused social media strategy, and costs for communication and engagement. <i>In 2018, public awareness funds allocated to OCC campaign; in 2019, public awareness will be in-house.</i>
23	Consulting	\$ 150,100	\$ 9,301	\$ 13,765	-\$ 140,799	-94%	Includes costs for IT consulting, strategic projects consultant, independent Council Chair, public relations and HR activities. <i>Projects requiring consulting not yet started for 2019.</i>
24	Council & Staff Education & Development	\$ 45,700	\$ 11,945	\$ 2,902	-\$ 33,755	-74%	Staff and Council Professional Development, includes staff CE, council training session and council expenses, council discipline training costs, regulatory conference attendance for staff and council, and discipline training.
25	Database	\$ 150,000	\$ 14,000	\$ 24,894	-\$ 136,000	-91%	Includes development costs for IT projects: linking jurisprudence to member profile, online student/intern renewals, document management system, online applications for ROs, QA CE upload, data optimization. <i>Projects started to-date: Jurisprudence, document management.</i>
26	External Personnel	\$ 73,000	\$ 4,389	\$ 1,848	-\$ 68,611	-94%	Includes National Exam examiners and models, expert witness, and external PLAR interviewer costs. <i>Costs for spring examination not yet realized.</i>
27	External Relations	\$ 35,000	\$ 23,705	\$ 11,225	-\$ 11,295	-32%	Expenses for Council, Appointed and staff for external activities on behalf of the College. Includes presentations at CE events, conference attendance, Georgian/Seneca Advisory Committees, National Meetings, National Exams Committee, MOHLTC meetings, presentations to students, etc.
28	General Operational	\$ 190,000	\$ 108,018	\$ 101,676	-\$ 81,982	-43%	Includes general operating expenses; expenses for the national examinations (catering, accommodations, rental of space); College insurance; catering for council meetings; CPP for council and committee members; staff expenses; bank charges; bookkeeping; office supplies; shredding services; off-site file storage, <i>credit card merchant fees following registration renewal has been realized as an expense.</i>
29	IT Requirements	\$ 83,500	\$ 15,834	\$ 15,053	-\$ 67,666	-81%	Include the hard costs to support the College's computer systems, hosting and licensing costs of the database, email hosting and updates to the website.
30	Investigator	\$ 15,000	\$ 5,217	\$ 13,207	-\$ 9,783	-65%	Investigators are for the ICRC process are utilized as needed. <i>To-date: 5 investigators</i>
31	Legal	\$ 180,000	\$ 33,188	\$ 100,015	-\$ 146,812	-82%	Includes independent legal counsel for Discipline Hearings, general advice, unauthorized Practice prosecutions.
32	Quality Assurance Portfolio Costs	\$ 110,900	\$ 29,287	\$ 14,270	-\$ 81,613	-74%	Reflects hard costs to administer the QA portfolio program, including MSF and practice assessments. <i>A large volume of portfolio submissions is anticipated in 2019.</i>
33	Rent	\$ 226,000	\$ 74,558	\$ 73,057	-\$ 151,442	-67%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity. <i>Contingency added for increase to operating fee starting September 2019.</i>
34	Salaries	\$ 1,224,718	\$ 404,162	\$ 327,560	-\$ 820,556	-67%	Includes employee benefits, CPP, EI, EHT expenses, RRSP contributions, base salaries, vision care plan and payroll expenses. Also includes seasonal staff to assist with the QA portfolio review period.
44	Strategic Initiatives	\$ 79,500	\$ 21,117	\$ 548	-\$ 58,383	-73%	Includes ongoing Governance Policy work, environmental scan and strategic planning costs, and contingency for council initiatives following strategic plan.