

BRIEFING NOTE

TO: Board of Directors

FROM: Fizza Asad, Manager, Finance and Human Resources

DATE: September 28, 2026

SUBJECT: Financial Variance Report

☒ For Decision

☐ For Information

☐ Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending June 30, 2026 is submitted to the Board for review and approval.

Background:

The Financial Variance Report provides a summary of year-to-date revenue and expenses, as compared to the total annual budget. A comparison is also provided to the previous year's financials for the same point in time.

The purpose of the Financial Variance Report is to provide an indication to the Board as to whether revenue and expenses are trending in line with expectations for the point in the year. Variances will typically display (high) negative values earlier in the year before the bulk of revenue/expenses have been realized or incurred and will theoretically approach a 0% variance closer to year end. At June 30, 50% of the fiscal year remains, which means that variances for fixed budget items (such as rent or salaries) will be trending closer to this number while variable budget items (Board or other administrative expenses) will have variances that reflect operational activity in Q2.

Explanations are provided for line items that indicate a variance that significantly diverges from the patterns, such as for expenses that are not incurred evenly throughout the year, or for deferred income. The variances are also colour coded (green as trending well, orange as trending with caution, and red as trending poorly) to assist the Board/Committee in identifying line items that require extra attention or investigation.

For Consideration:

This report identifies current, unaudited financial information for revenue, Board/Committee expenses, and operational/administrative expenses to June 30, 2026.

Revenue

Total revenue to date is \$4,010,952 which reflects a variance of \$52,924 (1%) over budget.

Optician revenue is \$3,735,831, reflecting a favourable variance of \$171,381 (5%) compared to budget. The variance is primarily driven by higher-than-budgeted renewal and new registration volumes. As of June 30, the College processed 78 more renewals and 21 more new registrations than budgeted. Revenue also includes 35 reinstatements, which are budgeted conservatively due to the difficulty in predicting the number of former registrants who will return to active registration. Based on current activity, the College is also forecasting additional new registrations in Q3 and Q4.

Interest and investment income is \$82,959 reflecting a variance of \$81,767 (-50%) under budget. Income recognized to date includes returns from investments that matured in June, as well as regular interest earned on the College's operating and savings accounts. A remaining investment is scheduled to mature in October 2026, at which time the associated investment income will be recognized. As a result, the current variance is primarily related to the timing of investment maturities and does not yet represent the College's full-year investment income.

Board and Committee Expenses

Total Board and Committee Expenses for this period, \$87,802, shows a variance of -\$83,090 (-49%) to the budget and is trending to budget by year end.

Board and Committee expenses are recorded as claims are submitted to the College, regardless of when the underlying expense was incurred. As at June 30, most committees remain below budget, as a number of meetings and related expenses included in the 2026 budget are scheduled to occur in the second half of the year. The College has also seen more timely submission of expense claims in 2026, resulting in fewer outstanding claims compared to the same point in previous years.

ICRC committee meeting is currently sitting at -36% variance to the budget and may trend to 5% over budget by year end. The variance is not primarily attributable to a higher number of meetings, but rather to increased preparation time associated with more complex cases. The College typically budgets approximately a quarter day of preparation time per meeting, however, recent expense claims have reflected up to a full day of preparation due to the complexity of the matters being considered. Staff will continue to monitor expenses through the remainder of the year and will consider the increased preparation requirements when developing future budgets.

Quality Assurance is also currently showing a -33% variance against budget. The higher-than-anticipated spending is attributable to both increased accreditation review activity and the timing of expense claim submissions. As of June 30, the College processed 97 accreditation requests, compared with

approximately 83 typically processed by this point in the year. In addition, approximately \$1,800 of expenses recorded in 2026 relate to accreditation work completed in 2025, following the submission of outstanding claims by a Board member. Staff will continue to monitor accreditation activity and related expenses through the remainder of the year.

Operations and Administrative Expenses

Total operational and administrative expenses to date, \$1,643,945, shows a variance of -\$1,867,863 (-53%) to the budget, trending to be on target for year end.

External relations expenses as of June 30, 2026 were \$13,295, reflecting a favorable variance of \$8,284 (-38%) under budget. While 50% of the fiscal year remains, this category is currently trending closer to budget compared with other areas due to the timing of planned activities. Approximately 60% of the College's anticipated trade show participation occurred during the first half of the year, with the remaining 40% expected to take place between October and November. Expenses are therefore expected to continue trending toward budget as the remaining activities take place.

Investigator costs are \$49,799 with a variance of -38% under the budget. Investigation costs are estimated during the annual budgeting process; however, the number, complexity and nature of investigations requiring external resources can be difficult to predict. There are currently 34 ongoing investigations, five of which require external investigators for complex matters. Based on invoices received to date and anticipated investigation activity through December 31, investigator costs are currently forecast to finish approximately 6% over budget or close to \$85,000 by year-end. Staff will continue to monitor expenditures and update the forecast as investigation activity progresses.

Recommendations/Action Required:

To approve the Financial Variance Report for the period ending June 30, 2026.

	trending well - revenue/expenses are realized/incurred as expected, based on historical averages and/or planned activity
	trending with caution - the account line is showing an unplanned variance and will be closely monitored to avoid negative impacts. Explanations for activity variance will be provided.
	trending poorly - the account line is showing a significant, unplanned variance that may negatively impact operations.

	A	B	C	D	E	H	I	H
				2026 Budget	Actuals June 30, 2026 (unaudited)	Variance to 2026 Budget (=E-D)	Variance to 2026 Budget % (=H/D)	Notes
1								
2	Total Revenue			\$ 3,958,029	\$ 4,010,952	\$ 52,924	1%	
3	Optician Revenue			\$ 3,564,450	\$ 3,735,831	\$ 171,381	5%	Includes optician renewals, new optician registrations and optician reinstatements.
4	Inactive Opticians			\$ 84,668	\$ 91,492	\$ 6,824	8%	Includes inactive opticians
5	Student/Intern Revenue			\$ 30,000	\$ 14,605	-\$ 15,395	-51%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties.
6	Interest & Investment Income			\$ 164,726	\$ 82,959	-\$ 81,767	-50%	Interest on savings and GIC investments earned June 2026. GIC will be realized in October 2026.
7	Miscellaneous Revenue			\$ 75,000	\$ 66,473	-\$ 8,527	-11%	Miscellaneous revenue includes: CE Activity Accreditation, Deficient Professional Portfolio Fees, Late Portfolio Fees, PLAR Application Fees, Duplicate Certificates, recovered discipline costs (\$666/month)
8	Rent Receivable			\$ 39,185	\$ 19,593	-\$ 19,593	-50%	Rent received for shared office space from CRTO
9	Total Expenses			\$ 3,682,699	\$ 1,731,746	-\$ 1,950,953	-53%	
10	Board and Committee			\$ 170,892	\$ 87,802	-\$ 83,090	-49%	
11	Board			\$ 96,523	\$ 54,079	-\$ 42,444	-44%	Budgeted: 4.25 Virtual Days (Jan - 2 Day, Mar, Oct, DEI Training), 3.5 Full Day in Person (Jun & DEC) To Date: 1 Full Virtual Days, 2 half virtual days 1 quarter virtual day, 1 full day in person
12	Discipline			\$ 11,419	\$ 2,994	-\$ 8,425	-74%	Budgeted: 5 Hearing Days (5 person panel, full day virtual), 8 decision writing days (1 member x 4 meetings) To Date: 2 Virtual quarter day hearing, 1 Virtual half day hearing, 2 Virtual full day hearing
13	Executive			\$ 5,288	\$ 1,966	-\$ 3,321	-63%	Budgeted: 6 Virtual Half Days To Date: 1 Virtual quarter day, 1 Virtual half day
15	Governance			\$ 4,425	\$ 1,475	-\$ 2,950	-67%	Budgeted: 4 Virtual Half Days To Date: 5 Virtual quarter days, 1 Virtual half day
16	Investigations, Complaints & Reports			\$ 10,663	\$ 6,844	-\$ 3,819	-36%	Budgeted: 2 Virtual Half Days, 12 Virtual Half Day Panels To Date: 1 virtual half day, 1 virtual quarter day, 5 virtual half day panels and 1 virtual quarter day panel
17	Screening Committee			\$ 4,875	\$ 806	-\$ 4,069	-83%	Budgeted: 2 virtual full days interview 0.25 virtual day training To Date: 1 virtual quarter day
18	Patient Relations			\$ 2,213	\$ 1,088	-\$ 1,125	-51%	Budgeted: 2 Virtual Half Days To Date: 2 Virtual quarter day
19	Quality Assurance			\$ 20,000	\$ 13,363	-\$ 6,638	-33%	Budgeted: 6 Half Day Virtual Meetings, and Panel review of 157 requests To Date: 2 Half Day Virtual Meeting, 4 Quarter day virtual meeting, Accreditation panel review of 97 accreditation request
20	Registration Committee			\$ 11,063	\$ 4,419	-\$ 6,644	-60%	Budgeted: 10 Virtual Half Days To Date: 4 virtual quarter day, 1 virtual half day
21	Clinical Practice Committee			\$ 4,425	\$ 769	-\$ 3,656	-83%	Budgeted: 4 Virtual Half Days To Date: 2 virtual quarter day
22	Operations & Administration			\$ 3,511,807	\$ 1,643,945	-\$ 1,867,863	-53%	
23	Communications			\$ 118,418	\$ 53,420	-\$ 64,998	-55%	Includes french translations, public focused social media strategy, and costs for communication and engagement.
24	Consulting			\$ 205,167	\$ 67,512	-\$ 137,655	-67%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant.
25	Council & Staff Education &			\$ 52,990	\$ 16,421	-\$ 36,569	-69%	Staff and Board Professional Development, includes staff CE, facilitative chair training.

	A			D	E	H	I	H
				2026 Budget	Actuals June 30, 2026 (unaudited)	Variance to 2026 Budget (=E-D)	Variance to 2026 Budget % (=H/D)	Notes
26								
27	Database			\$ 100,271	\$ 54,356	-\$ 45,915	-46%	Includes database hosting costs and development costs for IT projects: online applications, data cleanup, elections, public register changes, database security, billing, data optimization, general support and maintenance.
28	External Relations			\$ 21,579	\$ 13,295	-\$ 8,284	-38%	Expenses for Board, and staff for external activities on behalf of the College. Includes National meeting attendance, AOE/OOA events, tradeshow attendance and expenses, student events. Majority of events have been attended between January and March, final few expected to take place between October and November
29	General Operational			\$ 258,992	\$ 140,367	-\$ 118,625	-46%	Includes general operating expenses; capital expenses, phone lines, College insurance; CPP for board and committee members; staff expenses; printing; postage; maintenance; bank charges; bookkeeping; office supplies; shredding services; off-site file storage.
30	IT Requirements			\$ 149,913	\$ 71,005	-\$ 78,908	-53%	Include the hard costs to support the College's computer systems, staff computer hardware, licensing costs of the database and email hosting.
31	Investigator			\$ 80,000	\$ 49,799	-\$ 30,201	-38%	Investigators for the ICRC Process. <i>Actual 2026 to date:</i> 10 investigations open this year and 5 require external investigator and are complex. 34 total ongoing so far
32	Legal			\$ 122,800	\$ 27,787	-\$ 95,013	-77%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
33	Quality Assurance Program Costs			\$ 16,500	\$ 5,100	-\$ 11,400	-69%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training.
34	Rent			\$ 272,346	\$ 129,814	-\$ 142,533	-52%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
35	Salaries			\$ 2,014,331	\$ 968,176	-\$ 1,046,155	-52%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses
36	Strategic Initiatives			\$ 98,500	\$ 46,894	-\$ 51,606	-52%	Includes administrative initiatives (staff retention and team building), ongoing Governance work, and funds for board initiatives supporting the strategic plan,UAP.