

## BRIEFING NOTE

**TO:** Board of Directors

**FROM:** Executive Committee

**DATE:** September 22, 2025

**SUBJECT:** Financial Variance Report

☒ For Decision

☐ For Information

☐ Monitoring Report

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### **Purpose:**

The attached Financial Variance Report for the period ending June 30, 2025 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 Committee as to whether revenue and expenses are trending in line with expectations for the particular 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 the variance for fixed budget items (such as rent or salaries) will be trending closer to this number.

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, 2025.

#### *Revenue*

Total revenue to date is \$3,759,087 which reflects a variance of -\$101,576 (-3%) to the budget.

Investment income from the second set of GIC investments is to be realized in October 2025 and will be reflected in the Q4 variance report.

### *Board and Committee Expenses*

Total Board and Committee Expenses for this period, \$69,938 show a variance of -\$115,090 (-62%) to the budget.

Board and Committee expenses are reported as they are submitted to the College, regardless of when the expense may have been incurred. Many expense claims for Q2 are typically submitted in the next quarter and will be reflected in the next Financial Variance Report.

### *Operations and Administrative Expenses*

Total operational and administrative expenses to date, \$1,559,469, shows a variance of -\$1,920,050 (-55%) to the budget.

Fixed items (such as rent or salaries) are expected to trend closer to -50% at this point in time. Other expenses are incurred at different points in the year and may show a larger/smaller variance, but are still trending well as costs continue to be incurred as expected. These lines are also assessed based on historical trends, and color coded to provide the Board/Committee with a better idea as to how the costs are trending.

General operational costs are currently trending higher, for this point in the year as compared to previous years, due to the extension of the registrants' renewal deadline. The bulk of this expense line is merchant fees incurred during the renewal period. In previous years, most merchant fees were incurred in November and December. However, as a result of the extension of the annual renewal deadline to January 15, a significant portion of merchant fees were instead incurred in January and February this year. We are monitoring this line item as some additional merchant fees are expected to be incurred in Q3 and Q4, but based on current projections we expect the final variance to be within 10% of the budgeted amount.

Quality Assurance (QA) costs are currently trending 92% below budget. This variance is primarily due to the timing of the Competency Review and Evaluation process. Registrants are randomly selected to participate in a Peer and Practice Assessment in March, with assessments commencing in May. As a result, the associated costs are expected to be reflected predominantly in the Q3 and Q4 variance reports.

Strategic planning costs are currently trending 41% under budget, primarily due to pre-payment of certain meeting-related expenses in the previous fiscal year, as well as outstanding honoraria claims. Some costs also came in under budget as a result of selecting off-season dates with the venue, and final attendance numbers being slightly lower than originally anticipated. Once all outstanding honoraria claims are realized, the variance is expected to trend closer to 20% under budget.

### **Recommendations/Action Required:**

To recommend the board approve the Financial Variance Report for the period ending June 30, 2025.



Legend

- 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	F	G	H	I	H
				2025 Budget	Actuals June 30, 2025 (unaudited)	Actuals June 30, 2024 (unaudited)	Variance from 2025 to 2024 (=E-F)	Variance to 2025 Budget (=E-H)	Variance to 2025 Budget % (=H/D)	Notes
1										
2	<b>Total Revenue</b>			\$ 3,860,663	\$ 3,759,087	\$ 3,581,250	\$ 177,837	-\$ 101,576	-3%	
3	Optician Revenue			\$ 3,576,735	\$ 3,615,421	\$ 3,473,627	\$ 141,794	\$ 38,686	1%	Includes optician renewals, new optician registrations, inactive opticians and optician reinstatements.
4	Intern Revenue			\$ 30,000	\$ 13,032	\$ 20,550	-\$ 7,518	-\$ 16,968	-57%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties.
5	Interest & Investment Income			\$ 236,179	\$ 82,453	\$ 78,743	\$ 3,710	-\$ 153,726	-65%	Interest on savings and GIC investments. GIC income will be realized in June 2025 and October 2025.
6	Miscellaneous Revenue			\$ 17,749	\$ 48,181	\$ 8,330	\$ 39,851	\$ 30,432	171%	Miscellaneous revenue includes: CE Activity Accreditation, Deficient Professional Portfolio Fees, Late Portfolio Fees, PLAR Application Fees, Duplicate Certificates, recovered discipline costs (\$2499.99)
7	Rent Receivable			\$ 39,185	\$ 19,593	\$ -	\$ 19,593	-\$ 19,592	-50%	Rent received for shared office space from CRTO starting October 2024
8	<b>Total Expenses</b>			\$ 3,664,548	\$ 1,629,407	\$ 1,601,581	\$ 27,826	-\$ 2,035,141	-56%	
9	<b>Board and Committee</b>			\$ 185,029	\$ 69,938	\$ 70,092	-\$ 154	-\$ 115,090	-62%	
10	Board			\$ 94,610	\$ 49,122	\$ 39,692	\$ 9,430	-\$ 45,488	-48%	Budgeted: 4 Virtual Days (Jan, Mar, Sept, DEI Training), 3.5 Full Day in Person (Jun & Dec) To Date: 1.5 days in person, 2 Full Virtual Days and 2 half virtual days
11	Discipline			\$ 21,925	\$ 1,500	\$ 11,138	\$ 9,638	-\$ 20,425	-93%	Budgeted: 4 Hearing Days (5 person panel, full day virtual) 8 decision writing days (1 member) To Date: 2 Virtual full days, 1 Virtual Quarter day
12	Executive			\$ 7,988	\$ 2,175	\$ 3,950	\$ 1,775	-\$ 5,813	-73%	Budgeted: 6 Virtual Half Days To Date: 1 Half Virtual Day 2 Quarter Virtual days
13	Fitness to Practice					\$ -	-	-	-	
14	Governance			\$ 4,425	\$ 1,083	\$ 975	\$ 108	-\$ 3,342	-76%	Budgeted: 4 Virtual Half Days To Date: 1 Virtual Quarter Days
15	Investigations, Complaints & Reports			\$ 12,263	\$ 2,965	\$ 4,400	\$ 1,435	-\$ 9,298	-76%	Budgeted: 2 Virtual Half Days, 12 Virtual Half Day Panels To Date: 2 Virtual Quarter Day and 1 Virtual half day, 1 Quarter Day and 1 Half day Panels
16	Screening Committee			\$ 4,875	\$ 550	\$ -	\$ -	-\$ 4,325	-89%	Budgeted: 2 virtual full days interview 0.25 virtual day training To Date: 2 Virtual Quarter Days
17	Patient Relations			\$ 2,213	\$ 150	\$ 1,250	\$ 1,100	-\$ 2,063	-93%	Budgeted: 2 Virtual Half Days To Date: 1 Quarter Virtual Day
18	Quality Assurance			\$ 20,138	\$ 8,374	\$ 5,431	\$ 2,943	-\$ 11,764	-58%	Budgeted: 6 Half Day Virtual Meetings, and Panel review of 157 requests To Date: 2 Half Day Virtual Meeting and 3 Quarter day meetings, Accreditation panel review of 83 accreditation request
19	Registration Committee			\$ 11,063	\$ 3,557	\$ 1,788	\$ 1,769	-\$ 7,506	-68%	Budgeted: 10 Virtual Half Days To Date: 1 Virtual Half Day, 5 Quarter Virtual Days
20	Clinical Practice Committee			\$ 5,531	\$ 463	\$ 1,468	\$ 1,006	-\$ 5,069	-92%	Budgeted: 4 Virtual Half Days To Date: 1 Virtual Quarter Day
21	<b>Operations &amp; Administration</b>			\$ 3,479,519	\$ 1,559,469	\$ 1,531,489	\$ 27,980	-\$ 1,920,050	-55%	
22	Communications			\$ 94,194	\$ 39,144	\$ 24,119	\$ 15,025	-\$ 55,050	-58%	Includes french translations, public focused social media strategy, and costs for communication and engagement.
23	Consulting			\$ 293,179	\$ 114,436	\$ 87,821	\$ 26,615	-\$ 178,743	-61%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant.
24	Council & Staff Education &			\$ 60,000	\$ 18,336	\$ 22,386	-\$ 4,050	-\$ 41,664	-69%	Staff and Board Professional Development, includes staff CE, facilitative chair training.

	A			D	E	F	G	H	I	H
				2025 Budget	Actuals June 30, 2025 (unaudited)	Actuals June 30, 2024 (unaudited)	Variance from 2025 to 2024 (=E-F)	Variance to 2025 Budget (=E-D)	Variance to 2025 Budget % (=H/D)	Notes
25										
26	Database			\$ 121,870	\$ 30,896	\$ 127,430	-\$ 96,534	-\$ 90,974	-75%	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.
27	External Relations			\$ 56,889	\$ 23,301	\$ 20,881	\$ 2,420	-\$ 33,588	-59%	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.
28	General Operational			\$ 216,383	\$ 180,835	\$ 165,467	\$ 15,368	-\$ 35,548	-16%	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. Visa merchant fees more this year as a result of the change in deadline for renewal
29	IT Requirements			\$ 134,346	\$ 100,560	\$ 41,321	\$ 59,239	-\$ 33,786	-25%	Include the hard costs to support the College's computer systems, staff computer hardware, licensing costs of the database and email hosting.
30	Investigator			\$ 80,000	\$ 44,956	\$ 89,464	-\$ 44,508	-\$ 35,044	-44%	Investigators for the ICRC Process. <i>Actual 2025 to date:</i> 9 investigations open
31	Legal			\$ 142,800	\$ 39,841	\$ 43,765	\$ 3,924	-\$ 102,959	-72%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
32	Quality Assurance Program Costs			\$ 18,000	\$ 1,500	\$ 1,575	-\$ 75	-\$ 16,500	-92%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training. Peer Assessments did not start until May 2025 as a result most of the expenses would be in the third and fourth quarter reports
33	Rent			\$ 266,610	\$ 110,772	\$ 127,587	-\$ 16,815	-\$ 155,838	-58%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
34	Salaries			\$ 1,860,162	\$ 750,146	\$ 779,673	-\$ 29,527	-\$ 1,110,016	-60%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses
35	Strategic Initiatives			\$ 95,000	\$ 25,528	\$ 18,530	\$ 6,998	-\$ 69,472	-73%	Includes administrative initiatives (staff retention and team building), ongoing Governance work, and funds for board initiatives supporting the strategic plan.
36	Strategic Planning			\$ 135,086	\$ 79,217	\$ -	\$ -	-\$ 55,869	-41%	Includes cost of Strategic planning exercise that took place in April 2025. The current balance reflects a negative balance, partly owing to pre-payments made in 2024 that resulted in lower expenditure in 2025. Some additional expenses will be added following the receipt of outstanding honoraria claims.