

## BRIEFING NOTE

**TO:** Board of Directors

**FROM:** Executive Committee

**DATE:** June 2, 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 March 31, 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 March 31, 75% 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 March 31, 2025.

*Revenue*

Total revenue to date is \$3,412,081 which reflects a variance of \$448,582 (-12%) to the budget. Apart from Optician revenue which is incurred during the renewal season at the end of the previous year,

the remaining income is typically incurred in Q2-Q4, in line with activities such as Intern registration or investment maturity.

#### *Board and Committee Expenses*

Total Board and Committee Expenses for this period, \$25,494 show a variance of -\$159,535 (-86%) to the budget.

The expense related to screening committee pertains to the 2024 meeting; it was submitted at the end of the year and paid at the beginning of 2025.

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 Q1 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, \$930,079, show a variance of -\$2,549,440 (-73%) to the budget.

Fixed items (such as rent or salaries) are expected to trend closer to -75% 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 colour coded to provide the Board/Committee with a better idea as to how the costs are trending.

General operational costs are currently trending higher due to the extension of the registrants' renewal deadline. This change has shifted the bulk of income to January and February, rather than in earlier months. As a result, merchant fees are now mostly incurred during these two months, whereas in previous years, they were largely absorbed in December and declined by February.

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

To recommend the board approve the Financial Variance Report for the period ending March 31, 2025.

	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 March 31, 2025 (unaudited)	Actuals March 31, 2024	Variance from 2025 to 2024 (=E-F)	Variance to 2025 Budget (=E-D)	Variance to 2025 Budget % (=H/D)	Notes
1										
2	<b>Total Revenue</b>			\$ 3,860,663	\$ 3,412,081	\$ 3,280,611	\$ 131,470	-\$ 448,582	-12%	
3	Optician Revenue			\$ 3,576,735	\$ 3,365,384	\$ 3,273,066	\$ 92,318	-\$ 211,351	-6%	Includes optician renewals, new optician registrations, inactive opticians and optician reinstatements.
4	Student/Intern Revenue			\$ 30,000	\$ 9,237	\$ 3,300	\$ 5,937	-\$ 20,763	-69%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties.
5	Interest & Investment Income			\$ 236,179	\$ 6,396	\$ 805	\$ 5,591	-\$ 229,784	-97%	Interest on savings and GIC investments. GIC income will be realized in June 2025 and October 2025.
6	Miscellaneous Revenue			\$ 17,749	\$ 31,065	\$ 3,440	\$ 27,625	\$ 13,316	75%	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	\$ 9,796	\$ -	\$ 9,796	-\$ 29,389	-75%	Rent received for shared office space from CRO starting October 2024
8	<b>Total Expenses</b>			\$ 3,664,548	\$ 955,573	\$ 827,098	\$ 128,475	-\$ 2,708,975	-74%	
9	<b>Board and Committee</b>			\$ 185,029	\$ 25,494	\$ 20,248	\$ 5,246	-\$ 159,535	-86%	
10	Board/Strategic Planning			\$ 94,610	\$ 13,621	\$ 12,604	\$ 1,017	-\$ 80,989	-86%	Budgeted: 4 Virtual Days (Jan, Mar, Sept, DEI Training), 3.5 Full Day In Person (Jun & Dec) To Date: 2 Full Virtual Days and 2 half virtual days
11	Discipline			\$ 21,925	\$ -	\$ 263	-\$ 263	-\$ 21,925	-100%	Budgeted: 4 Hearing Days (5 person panel, full day virtual) 8 decision writing days (1 member) To Date: Nil
12	Executive			\$ 7,988	\$ 1,425	\$ 1,281	\$ 144	-\$ 6,563	-82%	Budgeted: 6 Virtual Half Days To Date: 1 Half Virtual Day 2 Quarter Virtual days
13	Fitness to Practice					\$ -	-	-	-	
14	Governance			\$ 4,425	\$ 320	\$ 300	\$ 20	-\$ 4,105	-93%	Budgeted: 4 Virtual Half Days To Date: 1 Virtual Quarter Days
15	Investigations, Complaints & Reports			\$ 12,263	\$ 2,965	\$ 1,488	\$ 1,477	-\$ 9,298	-76%	Budgeted: 2 Virtual Half Days, 12 Virtual Half Day Panels To Date: 1 Virtual Quarter Day, 2 Quarter Day Panels
16	Screening Committee			\$ 4,875	\$ 375	\$ -	\$ -	-\$ 4,500	-92%	Budgeted: 2 virtual full days interview 0.25 virtual day training To Date: Expense relates to 2024 Financial year meeting - Board member
17	Patient Relations			\$ 2,213	\$ 150	\$ -	\$ 150	-\$ 2,063	-93%	Budgeted: 2 Virtual Half Days To Date: 1 Half Virtual Day
18	Quality Assurance			\$ 20,138	\$ 3,775	\$ 2,806	\$ 969	-\$ 16,363	-81%	Budgeted: 6 Half Day Virtual Meetings, and Panel review of 157 requests To Date: 1 Half Day Virtual Meeting, Accreditation panel review of 39 accreditation request
19	Registration Committee			\$ 11,063	\$ 2,488	\$ 1,113	\$ 1,375	-\$ 8,575	-78%	Budgeted: 10 Virtual Half Days To Date: 1 Virtual Half Day, 3 Quarter Virtual Days
20	Clinical Practice Committee			\$ 5,531	\$ 375	\$ 393	-\$ 18	-\$ 5,156	-93%	Budgeted: 4 Virtual Half Days To Date: 1 Virtual Quarter Day
21	<b>Operations &amp; Administration</b>			\$ 3,479,519	\$ 930,079	\$ 806,850	\$ 123,229	-\$ 2,549,440	-73%	
22	Communications			\$ 94,194	\$ 9,349	\$ 8,450	\$ 899	-\$ 84,845	-90%	Includes french translations, public focused social media strategy, and costs for communication and engagement.
23	Consulting			\$ 293,179	\$ 62,670	\$ 59,028	\$ 3,642	-\$ 230,509	-79%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant.
24	Council & Staff Education &			\$ 60,000	\$ 11,354	\$ 10,975	\$ 379	-\$ 48,646	-81%	Staff and Board Professional Development, includes staff CE, facilitative chair training.

	A			D	E	F	G	H	I	H
				2025 Budget	Actuals March 31, 2025 (unaudited)	Actuals March 31, 2024	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	\$ 23,788	\$ 47,137	-\$ 23,350	98,083	-80%	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	\$ 8,872	\$ 3,059	\$ 5,813	-\$ 48,017	-84%	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	\$ 139,098	\$ 92,923	\$ 46,175	-\$ 77,285	-36%	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	\$ 20,606	\$ 17,220	\$ 3,386	-\$ 113,740	-85%	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	\$ 25,933	\$ 25,989	-\$ 56	54,067	-68%	Investigators for the ICRC Process. <i>Actual 2025 to date:</i> 3 investigations open
31	Legal			\$ 142,800	\$ 23,598	\$ 13,912	\$ 9,686	-\$ 119,202	-83%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
32	Quality Assurance Program Costs			\$ 18,000	\$ 600	\$ 1,575	-\$ 975	17,400	-97%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training.
33	Rent			\$ 266,610	\$ 64,504	\$ 66,791	-\$ 2,287	202,106	-76%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
34	Salaries			\$ 1,860,162	\$ 471,433	\$ 459,791	\$ 11,642	1,388,729	-75%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses
35	Strategic Initiatives			\$ 95,000	\$ 31,683	\$ 6,686	\$ 24,997	63,317	-67%	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	\$ 36,591	\$ -	\$ -	98,495	-73%	Includes cost of Strategic planning exercise that is scheduled for April 2025