

BRIEFING NOTE

TO: Board of Directors

FROM: Executive Committee

DATE: December 1, 2025

SUBJECT: Financial Variance Report

☒ For Decision

☐ For Information

☐ Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending October 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 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 October 31, 16% 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 October 31, 2025.

Revenue

Total revenue to date is \$4,021,030 which reflects a variance of \$160,366 (4%) over the budget.

During the 2025 financial year, the college generated investment income from several Guaranteed Investment Certificates (GICs), with payouts received in June and October 2025. The College has enjoyed favorable interest rates however, with rate cuts by the Bank of Canada, we expect lower returns in the future.

The college also saw an increase in the number of Registered Opticians during the 2025 period. Additional revenue was also realized as a result of a higher number than anticipated individuals opting to join the new Inactive class.

Miscellaneous Revenue has seen a surge in the last few years with increase in number of accreditations in the last two years compared to previous years, going from an average of 113 to 180 annually. This surge positively contributed to miscellaneous revenue. Following updates to accounting processes that allow for more effective capturing of revenue, Application fees being previously captured under optician revenue are now being captured here.

Miscellaneous revenue now captures status change fees for individuals changing between the RO class and the inactive class, there have been 21 status changes in 2025 to date.

Board and Committee Expenses

Total Board and Committee Expenses for this period, \$90,148 shows a variance of -\$94,881 (-51%) to the budget.

Board/Committee expenses are expected to remain under budget due to a reduction in the number of members following two resignations. Additionally, at the time the budget was prepared, the ratio of public members to appointed/professional members was uncertain. Currently, some meetings have a higher number of public members than originally budgeted for.

Board and Committee expenses are reported as they are submitted to the College, regardless of when the expense may have been incurred. A higher than usual number of expense claims have not yet been submitted but are expected to be submitted in Q4, at which point they will be included in the upcoming Financial Variance Report. The non-submission of expense claims by board members accounts for a majority of the low budget usage of the committees.

Some committees are trending below budget due to meetings being shorter than initially planned. For example, the Registration Committee has held less meetings than planned, partly due to personnel changes during the year, as well as a lower volume of files requiring committee review.

Discipline committee is currently significantly under budget due to budgeting for in person while we have virtual meetings and inadvertently budgeting for honorarium payments for 5 panel members instead of 3. This has been corrected in the coming budget year.

The Executive committee is currently trending below the budget as the budget was based on 5 members, and two of the members are public members. This has been adjusted in coming year's budget

At the time of preparing this report, several committees still have meetings scheduled for the final month of the year. As a result, it is expected that the budget will trend closer to the originally planned cost by year-end. This will be reflected in the Q4 variance report.

Operations and Administrative Expenses

Total operational and administrative expenses to date, \$2,836,119, shows a variance of -\$643,400 (-18%) to the budget.

Fixed items (such as rent or salaries) are expected to trend closer to -16% by this point in the year. 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.

Investigator costs are \$99,609 with a variance of 25% over the budget, Investigation costs are estimated at the end of the previous year, during the budgeting process and it is difficult to anticipate the number or nature of investigations for the coming year. There are currently thirty-seven (37) ongoing investigations of which twelve (12) of them require external investigators for cases relating to insurance fraud, practice while suspended, and sexual abuse.

General operational expenditures are currently trending higher than at the same point in the previous fiscal year. During the 2025 budgeting cycle, certain recurring payments were inadvertently classified as one-time expenses. This has been appropriately corrected in the 2026 budget. Notwithstanding the current upward trend, projections indicate that the final variance is expected to remain within 10% of the approved budget allocation.

It should also be noted that an unanticipated expenditure includes the advance procurement of several laptops in anticipation of the end of support for Windows 10. This acquisition received prior authorization from the Executive Committee and has been classified as a pre-spend. As such, it is expected to result in a corresponding reduction in this budget line item for the subsequent fiscal year

Quality Assurance (QA) costs are currently trending 57% 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 fully reflected predominantly in Q4 variance reports.

Recommendations/Action Required:

To recommend that the Board approve the Financial Variance Report for the period ending October 31, 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 October 31, 2025 (unaudited)	Actuals October 31, 2024 (unaudited)	Variance from 2025 to 2024 (=E-F)	Variance to 2025 Budget (=E-D)	Variance to 2025 Budget % (=H/D)	Notes
1										
2	Total Revenue			\$ 3,860,663	\$ 4,021,030	\$ 3,664,568	\$ 356,462	\$ 160,366	4%	
3	Optician Revenue			\$ 3,576,735	\$ 3,676,103	\$ 3,327,381	\$ 348,722	\$ 99,368	3%	Includes optician renewals, new optician registrations, inactive opticians and optician reinstatements. Surplus due primarily to higher than anticipated number of new registrations in Q1 and a higher than expected number of registrations in the inactive class.
4	Intern Revenue			\$ 30,000	\$ 30,697	\$ 40,826	-\$ 10,129	\$ 697	2%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties.
5	Interest & Investment Income			\$ 236,179	\$ 232,698	\$ 252,265	-\$ 19,567	-\$ 3,481	-1%	Interest on savings and GIC investments. GIC income will be realized in June 2025 and October 2025.
6	Miscellaneous Revenue			\$ 17,749	\$ 81,531	\$ 44,095	\$ 37,436	\$ 63,782	359%	Miscellaneous revenue includes: CE Activity Accreditation, Deficient Professional Portfolio Fees, Late Portfolio Fees, Status change (new revenue line), Decal Replacement, PLAR fees, Application Fees, Duplicate Certificates, recovered discipline costs (\$5,000) - Application fees previously being captured under RO fees are now captured here
7	Rent Receivable			\$ 39,185	\$ 37,822	\$ -	\$ 37,822	\$ 1,363	-3%	Rent received for shared office space from CRTO starting October 2024
8	Total Expenses			\$ 3,664,548	\$ 2,926,267	\$ 2,932,402	-\$ 6,134	-\$ 738,280	-20%	
9	Board and Committee			\$ 185,029	\$ 90,148	\$ 109,835	-\$ 19,687	-\$ 94,881	-51%	
10	Board			\$ 94,610	\$ 57,079	\$ 61,598	-\$ 4,519	-\$ 37,531	-40%	Budgeted: 4 Virtual Days (Jan, Mar, Sept, DEI Training), 3.5 Full Day In Person (Jun & Dec) To Date: 1.5 days in person, 3 Full Virtual Days and 2 half virtual days, Honorariums Outstanding Anticipated Q4: 2 full days in Person, Trending to budget
11	Discipline			\$ 21,925	\$ 2,500	\$ 11,138	-\$ 8,638	-\$ 19,425	-89%	Budgeted: 4 Hearing Days (5 person panel, full day virtual) 8 decision writing days (1 member) To Date: 3 Virtual training days, 1 Virtual Quarter day, 1 Virtual half day Anticipated Q4: 1 training day, Trending below budget
12	Executive			\$ 7,988	\$ 2,913	\$ 5,488	-\$ 2,575	-\$ 5,075	-64%	Budgeted: 6 Virtual Half Days To Date: 1 Half Virtual Day 3 Quarter Virtual days, Anticipated Q4: 3 Quarter day, Trending Below budget
13	Fitness to Practice						-	-	-	
14	Governance			\$ 4,425	\$ 1,627	\$ 1,125	\$ 502	-\$ 2,799	-63%	Budgeted: 4 Virtual Half Days To Date: 2 Virtual Quarter Days Anticipated Q4: Nil, Honorarium Outstanding, Trending below budget
15	Investigations, Complaints & Reports			\$ 12,263	\$ 5,915	\$ 6,200	-\$ 285	-\$ 6,348	-52%	Budgeted: 2 Virtual Half Days, 12 Virtual Half Day Panels To Date: 3 Virtual Quarter Day and 2 Virtual half day, 1 Quarter Day and 1 Half day Panels Anticipated Q4: 2 Quarter day Panel, Honorarium Outstanding, Trending below budget
16	Screening Committee			\$ 4,875	\$ 635	\$ -	\$ -	-\$ 4,240	-87%	Budgeted: 2 virtual full days interview 0.25 virtual day training To Date: 2 Virtual Quarter Days Anticipated Q4: 2 half days and 1 full day, Trending to budget, Honorarium
17	Patient Relations			\$ 2,213	\$ 300	\$ 1,775	-\$ 1,475	-\$ 1,913	-86%	Budgeted: 2 Virtual Half Days To Date: 2 Quarter Virtual Day Anticipated Q4: Nil, Trending below budget
18	Quality Assurance			\$ 20,138	\$ 13,474	\$ 16,863	-\$ 3,389	-\$ 6,664	-33%	Budgeted: 6 Half Day Virtual Meetings, and Panel review of 157 requests To Date: 4 Half Day Virtual Meeting and 4 Quarter day meetings, Accreditation panel review of 150 accreditation request Anticipated Q4: 1 Virtual half day and 1 Virtual quarter day Trending Below budget
19	Registration Committee			\$ 11,063	\$ 4,456	\$ 2,350	\$ 2,106	-\$ 6,606	-60%	Budgeted: 10 Virtual Half Days To Date: 2 Virtual Half Day, 6 Quarter Virtual Days Anticipated Q4: 1 virtual quarter day, lower level of files requiring review, Honorarium Outstanding, Trending below budget
20	Clinical Practice Committee			\$ 5,531	\$ 1,250	\$ 3,299	-\$ 2,049	-\$ 4,281	-77%	Budgeted: 4 Virtual Half Days To Date: 1 Virtual Quarter Day, 1 Virtual Half Day Anticipated Q4 : 1 Virtual Quarter day, Honorarium outstanding, Trending below budget
21	Operations & Administration			\$ 3,479,519	\$ 2,836,119	\$ 2,822,566	\$ 13,553	-\$ 643,400	-18%	
22	Communications			\$ 94,194	\$ 59,530	\$ 58,262	\$ 1,268	-\$ 34,664	-37%	Includes french translations, public focused social media strategy, and costs for communication and engagement. Trending to Budget by year end
23	Consulting			\$ 293,179	\$ 182,113	\$ 153,473	\$ 28,639	-\$ 111,066	-38%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant. -Recruitment for Manager Registration cost is a reason for the budget being higher than prior year however the expense line Trending to Budget by year end
24	Council & Staff Education &			\$ 60,000	\$ 34,214	\$ 36,901	-\$ 2,687	-\$ 25,786	-43%	Staff and Board Professional Development, includes staff CE, facilitative chair training. Trending to Budget

	A			D	E	F	G	H	I	H
				2025 Budget	Actuals October 31, 2025 (unaudited)	Actuals October 31, 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	\$ 108,446	\$ 173,527	-\$ 65,081	-\$ 13,424	-11%	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. Trending to budget by year end
27	External Relations			\$ 56,889	\$ 28,416	\$ 63,187	-\$ 34,771	-\$ 28,473	-50%	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. Trending to budget by year end. Several trade shows and student events took place in November
28	General Operational			\$ 216,383	\$ 208,227	\$ 212,523	-\$ 4,296	-\$ 8,156	-4%	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. - Trending over budget due to recurring expenses budgeted for as one time expense.
29	IT Requirements			\$ 134,346	\$ 124,942	\$ 70,661	\$ 54,281	-\$ 9,404	-7%	Include the hard costs to support the College's computer systems, staff computer hardware, licensing costs of the database and email hosting. Trending over budget due to purchase of laptops in anticipation of the windows 10 support preapproval was obtained from the board for the laptop purchase.
30	Investigator			\$ 80,000	\$ 99,609	\$ 98,127	\$ 1,481	\$ 19,609	25%	Investigators for the ICRC Process. <i>Actual 2025 to date:</i> 23 investigations open this year Trending over budget due to difficulty anticipating nature of investigations
31	Legal			\$ 142,800	\$ 81,739	\$ 72,467	\$ 9,271	-\$ 61,061	-43%	Includes independent legal counsel for Professional Conduct matters, as well as general advice. Trending to budget by year end
32	Quality Assurance Program Costs			\$ 18,000	\$ 7,800	\$ 4,575	\$ 3,225	-\$ 10,200	-57%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training. Trending to budget for the year, Expenses for the peer assessments should be fully reflected in Q4
33	Rent			\$ 266,610	\$ 223,555	\$ 213,118	\$ 10,437	-\$ 43,055	-16%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity. Trending to Budget by year end
34	Salaries			\$ 1,860,162	\$ 1,590,813	\$ 1,611,074	-\$ 20,260	-\$ 269,349	-14%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses Trending to budget by year end
35	Strategic Initiatives			\$ 95,000	\$ 37,625	\$ 54,671	-\$ 17,046	-\$ 57,375	-60%	Includes administrative initiatives (staff retention and team building), ongoing Governance work, and funds for board initiatives supporting the strategic plan. Trending under budget for the year. Some projects rescheduled for 2026.
36	Strategic Planning			\$ 135,086	\$ 86,717	\$ -	\$ -	-\$ 48,369	-36%	Includes cost of Strategic planning exercise that is scheduled for April 2025. Trending under budget due to prepaid expenses in prior year and fewer than anticipated attendees for strategic planning session. Honorariums Outstanding