

BRIEFING NOTE

TO: Board of Directors

FROM: Fizza Asad, Manager, Finance and Human Resources

DATE: March 2, 2026

SUBJECT: Financial Variance Report

☒ For Decision

☐ For Information

☐ Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending December 31, 2025 is submitted to the Board of Directors 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 December 31, the fiscal year has ended, which means that variances for all budget items will be reflecting the actual activity for the year.

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 December 31, 2025.

Revenue

Total revenue to date is \$4,092,467 which reflects a variance of \$192,618 (5%) 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 benefited from favorable interest rates however, due to recent rate cuts by the Bank of Canada, we expect lower returns in the future and have budgeted accordingly.

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. In addition, the Optician Revenue account line has been cleaned up to only reflect renewal costs, and all other entries have been reclassified as miscellaneous revenue which is why the variance report line is much higher than what was budgeted, but the overall revenue is still in line with the 2025 budget.

Miscellaneous revenue now captures status change fees for individuals changing between the RO class and the inactive class.

The College also saw an increase in the number of Registered Opticians during the 2025 period over what had been budgeted the year before. Additionally, the option to register as an Inactive Optician has contributed to higher revenue, with over 240 Inactive Registered Opticians being accounted for.

Board and Committee Expenses

Total Board and Committee Expenses for this period, \$126,102 shows a variance of -\$58,927 (-32%) 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. At Dec 31, some committees are still well below budget due to meetings being less frequent or shorter than initially planned. In addition, there have been changes impacting the number of members attending Board and/or Committee meetings. A few members resigned during the year, which has reduced some of the anticipated board expenses. Additionally, at the time the budget was prepared, the ratio of public members to appointed/professional members was uncertain and some Committees ended up with a higher number of public members than originally budgeted for.

Operations and Administrative Expenses

Total operational and administrative expenses to date, \$3,403,710, shows a variance of -\$200,809 (-6%) to the budget.

Board and Staff Education and Development costs are \$32,951, with a variance of -\$27,050 under budget (-45%). The variance reflects training funds that were not fully utilized during the year due to competing organizational priorities associated with Strategic Planning activities. Planned initiatives, including Right Touch and Trauma-Informed Training and Indigenous Cultural Training, totaling approximately \$22,000, were deferred, contributing to the overall underspend against the approved budget.

Investigator costs are \$109,134 with a variance of \$29,134 over the budget (36%). 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-four (34) ongoing investigations of which ten (10) of them require external investigators for cases relating to insurance fraud practicing while suspended, fraud, and sexual abuse.

QA program costs are \$9,600 with a variance of -8,400 to the budget (-47%). Costs reflect direct expenses required to administer the QA portfolio program, including practice assessments and peer assessor training. The variance is primarily attributable to consulting and training budgets that were not fully utilized, representing approximately \$6,000 in savings, as well as conservative budgeting assumptions established in 2024 for anticipated program delivery costs.

General operational expenditures are \$231,863 with a variance of \$15,300 over the budget (7%). During the 2025 budgeting cycle, certain recurring payments were inadvertently classified as one-time expenses, however, this has been appropriately corrected in the 2026 budget. This line also includes the advance procurement of 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 2026 fiscal year.

Strategic Planning costs are \$86,717, with a variance of -\$48,369 under budget (-36%). Costs were conservatively budgeted in 2024, contributing to the overall underspend. Certain expenses, including approximately \$7,000 in venue costs, were prepaid in 2024, while some miscellaneous budgeted items, such as AV services, were not fully utilized. Additional savings were achieved by selecting off-season venue dates, and overall costs were further reduced due to slightly lower final attendance than originally anticipated.

Recommendations/Action Required:

To recommend that the Board approve the Financial Variance Report for the period ending December 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 December 31, 2025 (unaudited)	Actuals December 31, 2024	Variance from 2025 to 2024 (=E-F)	Variance to 2025 Budget (=E-D)	Variance to 2025 Budget % (=H/D)	Notes
1										
2	Total Revenue			\$ 3,899,848	\$ 4,092,467	\$ 3,714,430	\$ 378,037	\$ 192,618	5%	
3	Optician Revenue			\$ 3,576,735	\$ 3,678,966	\$ 3,334,786	\$ 344,180	\$ 102,231	3%	Includes optician renewals, new optician registrations, inactive opticians and optician reinstatements. This account line has been cleaned up internally with some entries being reclassified to more appropriate Misc. accounts so that this line will only capture income related to Registration.
4	Intern Revenue			\$ 30,000	\$ 37,905	\$ 40,826	-\$ 2,921	\$ 7,905	26%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties.
5	Interest & Investment Income			\$ 236,179	\$ 235,276	\$ 281,227	-\$ 45,951	-\$ 903	0%	Interest on savings and GIC investments. GIC income was realized in June 2025 and October 2025 and has been reinvested.
6	Miscellaneous Revenue			\$ 17,749	\$ 99,501	\$ 47,795	\$ 51,706	\$ 81,752	461%	Miscellaneous revenue includes: CE Activity Accreditation, Deficient Professional Portfolio Fees, Late Portfolio Fees, PLAR Application Fees, Duplicate Certificates, Recovered discipline costs (\$5,000). This account line has been cleaned up internally, with entries from Optician Revenue being reclassified to more appropriate Misc. accounts. This variance will not be affecting the 2026 budget.
7	Rent Receivable			\$ 39,185	\$ 40,818	\$ 9,796	\$ 31,022	\$ 1,633	4%	Rent received for shared office space from CRTO starting October 2024
8	Total Expenses			\$ 3,789,548	\$ 3,529,812	\$ 3,446,448	\$ 83,364	-\$ 259,736	-7%	
9	Board and Committee			\$ 185,029	\$ 126,102	\$ 176,968	-\$ 50,866	-\$ 58,927	-32%	
10	Board			\$ 94,610	\$ 78,748	\$ 102,974	-\$ 24,226	-\$ 15,862	-17%	Budgeted: 4 Virtual Days (Jan, Mar, Sept, DEI Training), 3.5 Full Day In Person (Jun & Dec) To Date: 3.5 days in person, 3 Full Virtual Days and 2 half virtual days
11	Discipline			\$ 21,925	\$ 4,450	\$ 18,107	-\$ 13,657	-\$ 17,475	-80%	Budgeted: 4 Hearing Days (5 person panel, full day virtual) 8 decision writing days (1 member) To Date: 4 Virtual full days, 1 Virtual Quarter day, 1 Virtual half day
12	Executive			\$ 7,988	\$ 3,888	\$ 7,550	-\$ 3,663	-\$ 4,100	-51%	Budgeted: 6 Virtual Half Days To Date: 1 Half Virtual Day 6 Quarter Virtual days (meeting times taken into consideration for 2026 budget)
13	Fitness to Practice					\$ -	-	-	-	
14	Governance			\$ 4,425	\$ 3,439	\$ 6,050	-\$ 2,611	-\$ 986	-22%	Budgeted: 4 Virtual Half Days To Date: 2 Virtual Quarter Days, 1 virtual half day
15	Investigations, Complaints & Reports			\$ 12,263	\$ 6,515	\$ 9,350	-\$ 2,835	-\$ 5,748	-47%	Budgeted: 2 Virtual Half Days, 12 Virtual Half Day Panels To Date: 5 Virtual Quarter Day and 2 Virtual half day, 1 Quarter Day and 1 Half day Panels
16	Screening Committee			\$ 4,875	\$ 2,363	\$ -	-\$ -	-\$ 2,513	-52%	Budgeted: 2 virtual full days interview 0.25 virtual day training To Date: 3 Virtual Quarter Days, 1 virtual half day, 1 virtual full day
17	Patient Relations			\$ 2,213	\$ 463	\$ 2,075	-\$ 1,613	-\$ 1,750	-79%	Budgeted: 2 Virtual Half Days To Date: 2 Quarter Virtual Day (mostly Public member attendance)
18	Quality Assurance			\$ 20,138	\$ 18,475	\$ 21,713	-\$ 3,238	-\$ 1,663	-8%	Budgeted: 6 Half Day Virtual Meetings, and Panel review of 157 requests To Date: 5 Half Day Virtual Meeting and 5 Quarter day meetings Accreditation panel review of 172 accreditation request
19	Registration Committee			\$ 11,063	\$ 5,319	\$ 4,225	\$ 1,094	-\$ 5,744	-52%	Budgeted: 10 Virtual Half Days To Date: 2 Virtual Half Day, 7 Quarter Virtual Days (fewer PLAR application meetings and fewer meetings during the transition period between Directors)
20	Clinical Practice Committee			\$ 5,531	\$ 2,444	\$ 4,924	-\$ 2,480	-\$ 3,088	-56%	Budgeted: 4 Virtual Half Days To Date: 2 Virtual Quarter Days, 1 Virtual Half Day
21	Operations & Administration			\$ 3,604,519	\$ 3,403,710	\$ 3,269,480	\$ 134,230	-\$ 200,809	-6%	
22	Communications			\$ 94,194	\$ 67,582	\$ 67,139	\$ 443	-\$ 26,612	-28%	Includes french translations, public focused social media strategy, and costs for communication and engagement. Budget for video productions (\$15k) was not accessed during the year.
23	Consulting			\$ 293,179	231,994	\$ 208,549	\$ 23,445	-\$ 61,185	-21%	Includes costs for IT consulting (budgeted for one year but used 6 months due to maternity leave), bookkeeping, recruitment consulting (Registration Director), board facilitator and government relations consultant. Jurisprudence budget (\$24k) was not accessed during the year.
24	Council & Staff Education & Development			\$ 60,000	\$ 32,951	\$ 42,553	-\$ 9,603	-\$ 27,050	-45%	Staff and Board Professional Development, includes staff CE, facilitative chair training. Some training budget was not accessed during the year due to a busier Strategic Planning year, including Right Touch and Trauma Informed training (\$11k), Indigenous Culture Training (\$11k)

	A			D 2025 Budget	E Actuals December 31, 2025 (unaudited)	F Actuals December 31, 2024	G Variance from 2025 to 2024 (=E-F)	H Variance to 2025 Budget (=E-D)	I Variance to 2025 Budget % (=H/D)	H Notes
25										
26	Database			\$ 121,870	\$ 122,546	\$ 139,432	-\$ 16,886	\$ 676	1%	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	\$ 43,236	\$ 63,622	-\$ 20,386	\$ 13,653	-24%	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	\$ 231,683	\$ 260,189	-\$ 28,506	\$ 15,300	7%	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	\$ 140,265	\$ 132,081	\$ 8,184	\$ 5,919	4%	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	\$ 109,134	\$ 115,799	-\$ 6,665	\$ 29,134	36%	Investigators for the ICRC Process. <i>Actual 2025 to date:</i> 23 closed 34 investigations open
31	Legal			\$ 142,800	\$ 114,754	\$ 81,185	\$ 33,569	\$ 28,046	-20%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
32	Quality Assurance Program Costs			\$ 18,000	\$ 9,600	\$ 6,303	\$ 3,297	\$ 8,400	-47%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training. Budget for consulting and training was not fully accessed (\$6k), and general QA program costs were conservatively budgeted for in 2024.
33	Rent			\$ 266,610	\$ 259,865	\$ 257,621	\$ 2,244	\$ 6,745	-3%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
34	Salaries			\$ 1,890,162	\$ 1,884,201	\$ 1,830,111	\$ 54,090	\$ 5,961	0%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses
35	Strategic Initiatives			\$ 95,000	\$ 69,182	\$ 64,896	\$ 4,286	\$ 25,818	-27%	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	\$ 86,717	\$ -	\$ -	\$ 48,369	-36%	Includes cost of Strategic Planning in April 2025. Costs were conservatively budgeted for in 2024; some items such as the venue were prepaid (\$7k) in 2024, and the budget for many misc items was not fully accessed such as AV costs (\$4k), and the project assistant not needed for the whole year. Costs also came in under budget as a result of selecting off-season dates with the venue (\$12k savings), and final attendance numbers being slightly lower than originally anticipated.