

BRIEFING NOTE

TO: Board of Directors

FROM: Fizza Asad, Accounting and HR Specialist

DATE: June 3, 2024

SUBJECT: Financial Variance Report

For Decision

For Information

Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending March 31, 2024 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, 2024.

Revenue

Total revenue to date is \$3,280,661 which reflects a variance of \$349,285 (-10%) 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 student registration or investment maturity.

Board and Committee Expenses

Total Board and Committee Expenses for this period, \$20,246 shows a variance of -\$122,528 (-86%) 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 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, \$813,535, shows a variance of -\$2,537,979 (-76%) 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.

Database hosting costs are \$47,137, which shows a \$45,509 variance from March 31, 2023. The lower expense at the same point in time last year, is a result of database costs for Q1 2023 being prepaid with the remaining budget at the end of 2022. The activity level in both periods has remained the same.

Investigator costs are \$25,989, however \$11,847 was incurred in 2023 and not invoiced by the vendor until March 2024. Actual costs incurred in Q1 of 2024 are \$14,142, which is a -78% variance to the budget. This line item is highlighted as the expenses may trend higher than expected and will be reviewed in future reports.

Recommendations/Action Required:

To approve the Financial Variance Report for the period ending March 31, 2024.



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
				2024 Budget	Actuals March 31, 2024 (unaudited)	Actuals March 31, 2023	Variance from 2024 to 2023 (=E-F)	Variance to 2024 Budget (=E-D)	Variance to 2024 Budget % (=H/D)	Notes
1										
2	Total Revenue			\$ 3,629,896	\$ 3,280,611	\$ 3,164,408	\$ 116,203	-\$ 349,285	-10%	
3	Optician Revenue			\$ 3,329,658	\$ 3,273,066	\$ 3,155,552	\$ 117,514	-\$ 56,592	-2%	Includes optician renewals, new optician registrations and optician reinstatements.
4	Student/Intern Revenue			\$ 30,600	\$ 3,300	\$ 3,212	\$ 88	-\$ 27,300	-89%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties.
5	Interest & Investment Income			\$ 251,889	\$ 805	\$ 312	\$ 493	-\$ 251,084	-100%	Interest on savings and GIC investments. GIC income will be realized in June 2024 and October 2024.
6	Miscellaneous Revenue			\$ 17,749	\$ 3,440	\$ 5,332	-\$ 1,892	-\$ 14,309	-81%	Miscellaneous revenue includes: CE Activity Accreditation, Deficient Professional Portfolio Fees, Late Portfolio Fees, PLAR Application Fees, Duplicate Certificates, recovered discipline costs (\$2499.99)
7	Board and Committee			\$ 142,774	\$ 20,246	\$ 16,579	\$ 3,667	-\$ 122,528	-86%	
8	Board/Strategic Planning			\$ 69,128	\$ 12,604	\$ 7,809	\$ 4,795	-\$ 56,524	-82%	Budgeted: 6.5 Virtual Days (Jan, Mar, Oct, Dec, DEI Training), 1.5 Full Day In Person (Jun) To Date: 1 Full Virtual Day, 3 Half Virtual Days
9	Discipline			\$ 21,925	\$ 263	\$ -	\$ 263	-\$ 21,663	-99%	Budgeted: 4 Hearing Days (5 person panel, full day virtual) 8 decision writing days (1 member) To Date: 1 Quarter Virtual Day
10	Executive			\$ 7,988	\$ 1,281	\$ 713	\$ 568	-\$ 6,707	-84%	Budgeted: 6 Virtual Half Days To Date: 1 Half Virtual Day
11	Fitness to Practice			\$ -	\$ -	\$ -	\$ -	\$ -	-	No referrals
12	Governance			\$ 4,425	\$ 300	\$ 313	-\$ 13	-\$ 4,125	-93%	Budgeted: 4 Virtual Half Days To Date: 2 Virtual Quarter Days
13	Investigations, Complaints & Reports			\$ 10,663	\$ 1,488	\$ 3,131	-\$ 1,644	-\$ 9,176	-86%	Budgeted: 2 Virtual Half Days, 10 Virtual Half Day Panels To Date: 2 Virtual Quarter Days, 2 Virtual Half Day Panels
14	Patient Relations			\$ 3,319	\$ -	\$ -	\$ -	-\$ 3,319	-100%	Budgeted: 3 Virtual Half Days To Date:
15	Quality Assurance			\$ 9,838	\$ 2,806	\$ 2,688	\$ 118	-\$ 7,032	-71%	Budgeted: 6 Half Day Virtual Meetings, 4 Half Day Virtual Panels To Date: 2 Quarter Day Virtual Meetings, 1 Quarter Day Virtual Panel
16	Registration Committee			\$ 11,063	\$ 1,113	\$ 1,756	-\$ 644	-\$ 9,951	-90%	Budgeted: 10 Virtual Half Days To Date: 1 Virtual Half Day, 3 Quarter Virtual Days
17	Clinical Practice Committee			\$ 4,425	\$ 393	\$ 169	\$ 224	-\$ 4,033	-91%	Budgeted: 4 Virtual Half Days To Date: 2 Virtual Quarter Days
18	Operations & Administration			\$ 3,351,514	\$ 813,535	\$ 625,132	\$ 188,403	-\$ 2,537,979	-76%	
19	Communications			\$ 72,992	\$ 8,450	\$ 25,664	-\$ 17,214	-\$ 64,542	-88%	Includes french translations, public focused social media strategy, and costs for communication and engagement.
20	Consulting			\$ 238,129	\$ 59,028	\$ 44,247	\$ 14,781	-\$ 179,101	-75%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant.
21	Council & Staff Education &			\$ 55,600	\$ 10,975	\$ 9,007	\$ 1,968	-\$ 44,625	-80%	Staff and Board Professional Development, includes staff CE, facilitative chair training.

	A		D	F	F	G	H	I	H
			2024 Budget	Actuals Mar 31, 2024 (unaudited)	Actuals Mar 31, 2023	Variance from 2024 to 2023 (=E-F)	Variance to 2024 Budget (=E-D)	Variance to 2024 Budget % (=H/D)	Notes
22									
23	Database		\$ 160,000	\$ 47,137	\$ 1,628	\$ 45,509	-\$ 112,863	-71%	Includes database hosting costs and development costs for IT projects: data cleanup, elections, public register changes, billing, data optimization, general support and maintenance.
24	External Relations		\$ 64,500	\$ 3,059	\$ 3,729	-\$ 670	-\$ 61,441	-95%	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.
25	General Operational		\$ 305,801	\$ 92,923	\$ 97,598	-\$ 4,675	-\$ 212,878	-70%	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.
26	IT Requirements		\$ 123,648	\$ 17,220	\$ 16,641	\$ 579	-\$ 106,428	-86%	Include the hard costs to support the College's computer systems, staff computer hardware, licensing costs of the database and email hosting.
27	Investigator		\$ 65,000	\$ 25,989	\$ 1,214	\$ 24,775	-\$ 39,011	-60%	Investigators for the ICRC Process. <i>Actual 2024 to date:</i> 2 completed, 9 carried over from 2022, 25 carried over from 2023. \$11,847 incurred in 2023 but not invoiced by the vendor until March 2024.
28	Legal		\$ 145,250	\$ 13,912	\$ 15,300	-\$ 1,388	-\$ 131,338	-90%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
29	Quality Assurance Program Costs		\$ 25,200	\$ 1,575	\$ 2,100	-\$ 525	-\$ 23,625	-94%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training.
30	Rent		\$ 257,725	\$ 66,791	\$ 64,223	\$ 2,568	-\$ 190,934	-74%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
31	Salaries		\$ 1,744,669	\$ 459,791	\$ 334,835	\$ 124,956	-\$ 1,284,878	-74%	Includes benefits, CPP, EI, EHT, RRSPP contributions, salaries, vision care plan and payroll expenses
32	Strategic Initiatives		\$ 93,000	\$ 6,686	\$ 8,946	-\$ 2,260	-\$ 86,314	-93%	Includes administrative initiatives (staff retention and team building), ongoing Governance work, and funds for board initiatives supporting the strategic plan.