

BRIEFING NOTE

TO: Board of Directors

FROM: Executive Committee

DATE: March 3, 2025

SUBJECT: Financial Variance Report

☒ For Decision

☐ For Information

☐ Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending December 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 December 31, the fiscal year has ended which means variances for all budget items will be reflecting actual activity for the year.

The amounts reported are not final audited figures. Upon completion of the audit engagement in March, the external auditors will have reviewed the reported amounts and will provide the Executive Committee with any information if significant or material variances are discovered.

For Consideration:

This report identifies current, unaudited financial information for revenue, Board/Committee expenses, and operational/administrative expenses to December 31, 2024.

Revenue

Total revenue to date is \$3,704,634 which reflects a variance of \$74,738 (2%) over revenue expected to the 2024 budget.

During the 2024 financial year, the college generated investment income from several Guaranteed Investment Certificates (GICs), with payouts received in June and October 2024. Additionally, there was an unexpected rise in accreditation requests, increasing from an average of 172 in December 2023 to 245 in December 2024. This surge positively contributed to miscellaneous revenue. The college also experienced a growth in the number of Registered Opticians for the 2023/24 period, largely driven by the delayed results from the June 2023 exams.

Board and Committee Expenses

Total Board and Committee Expenses for this period, \$176,968, shows a variance of 34,179 (24%) overspent to the 2024 budget.

The costs associated with the Quality Assurance committee have risen due to the higher volume of accreditation requests. However, these expenses are fully offset by the fees paid by the requesting parties.

The Registration Committee expenses were underspent because the meetings ran shorter than originally budgeted. While the number of meetings planned for the year was accurate, it seems the duration of each meeting was shorter than anticipated.

The expenses for the Governance Committee have exceeded the budget by 37%, primarily due to the screening committee meetings held throughout the year.

The board made the decision to move from 3 virtual and 1 in person meetings to 2 in person and 2 virtual meetings, as a result the board expenses have gone over budget by cost of an extra in person meeting.

Operations and Administrative Expenses

Total operational and administrative expenses to date, \$3,269,481, show a variance of -\$12,161 (-1%) underspent to the budget. Invoices for the 2025 strategic meeting were paid in the 2023/2024 financial year.

The QA program reflects the costs associated with administering the program, which have been underspent by 75% to the 2024 budget as outlined in line 30, due to improved compliance. However, the Quality Assurance program has updated its selection process to improve budgeting in future years.

Investigation costs surpassed the budget by \$50,799 (78%), mainly because the costs were 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 10 investigations which require external investigators for cases relating to insurance fraud practicing while suspended, fraud, and sexual abuse.

Recommendations/Action Required:

To recommend that the Board Approve the Financial Variance Report for the period ending December 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 December 31, 2024 (unaudited)	Actuals December 31, 2023	Variance from 2024 to 2023 (=E-F)	Variance to 2024 Budget (=E-D)	Variance to 2024 Budget %	Notes
1											
2	Total Revenue				\$ 3,629,896	\$ 3,704,634	\$ 3,661,160	\$ 43,474	\$ 74,738	2%	
3	Optician Revenue				\$ 3,329,658	\$ 3,334,786	\$ 3,284,116	\$ 50,670	\$ 5,128	0%	Includes optician renewals, new optician registrations and optician reinstatements.
4	Student/Intern Revenue				\$ 30,600	\$ 40,826	\$ 39,900	\$ 926	\$ 10,226	33%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties.
5	Interest & Investment Income				\$ 251,889	\$ 281,227	\$ 134,336	\$ 146,891	\$ 29,338	12%	Interest on savings and GIC investments. GIC income will be realized in June 2024 and October 2024.
6	Miscellaneous Revenue				\$ 17,749	\$ 47,795	\$ 188,176	-\$ 140,381	\$ 30,046	169%	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 Received				\$ -	\$ 9,796	\$ -	\$ 9,796	\$ 9,796	100%	Income generated from Space sharing agreement with CRTO
8	Total Expenses				\$ 3,434,288	\$ 3,446,449	\$ 14,632	\$ 363,926	\$ 12,161	0%	
9	Board and Committee				\$ 142,774	\$ 176,968	\$ 108,722	\$ 68,246	\$ 34,194	24%	
10	Board/Strategic Planning				\$ 69,128	\$ 102,974	\$ 49,005	\$ 53,969	\$ 33,846	49%	Budgeted: 6.5 Virtual Days (Jan, Mar, Oct, Dec, DEI Training), 1.5 Full Day In Person (Jun) To Date: 2 Full Virtual Day, 4 Half Virtual Days, 3.75 Full in Person Day (Jun & Dec)
11	Discipline				\$ 21,925	\$ 18,107	\$ 15,225	\$ 2,882	-\$ 3,818	-17%	Budgeted: 4 Hearing Days (5 person panel, full day virtual) 8 decision writing days (1 member) To Date: 2 Full Virtual Day, 2 Quarter Virtual Day, 1 Half Virtual Hearing Day,
12	Executive				\$ 7,988	\$ 7,550	\$ 5,700	\$ 1,850	-\$ 438	-5%	Budgeted: 6 Virtual Half Days To Date: 1 Half Virtual Day, 5 Virtual Quarter Day
13	Fitness to Practice				\$ -	\$ -	\$ -	\$ -	\$ -	-	-
14	Governance				\$ 4,425	\$ 6,050	\$ 2,688	\$ 3,362	\$ 1,625	37%	Budgeted: 4 Virtual Half Days To Date: 5 Virtual Quarter Days, 2 Virtual Half Day, 1 Virtual Full Day
15	Investigations, Complaints & Reports				\$ 10,663	\$ 9,350	\$ 10,819	-\$ 1,469	-\$ 1,313	-12%	Budgeted: 2 Virtual Half Days, 10 Virtual Half Day Panels To Date: 5 Virtual Quarter Days Panels, 5 Virtual Half Day Panels
16	Patient Relations				\$ 3,319	\$ 2,075	\$ -	\$ 2,075	-\$ 1,244	-37%	Budgeted: 3 Virtual Half Days To Date: 1 Half Virtual Day
17	Quality Assurance				\$ 9,838	\$ 21,713	\$ 16,575	\$ 5,138	\$ 11,875	121%	Budgeted: 6 Half Day Virtual Meetings, 4 Half Day Virtual Panels To Date: 3 Half Day Virtual Meetings, 2 Quarter Day Virtual Meetings, 1 Quarter Day Virtual Panel and Accreditation panel review of 245 accreditation request an increase from the average of 172 in December 2023.
18	Registration Committee				\$ 11,063	\$ 4,225	\$ 7,329	-\$ 3,104	-\$ 6,838	-62%	Budgeted: 10 Virtual Half Days To Date: 2 Virtual Half Day, 8 Quarter Virtual Days
19	Clinical Practice Committee				\$ 4,425	\$ 4,924	\$ 1,381	\$ 3,543	\$ 499	11%	Budgeted: 4 Virtual Half Days To Date: 2 Virtual Quarter Days, 2 Virtual Half Day
20	Operations & Administration				\$ 3,291,514	\$ 3,269,481	\$ 2,973,801	\$ 295,680	-\$ 22,033	-1%	
21	Communications				\$ 72,992	\$ 67,139	\$ 46,637	\$ 20,502	-\$ 5,853	-8%	Includes french translations, public focused social media strategy, and costs for communication and engagement.
22	Consulting				\$ 238,129	\$ 208,549	\$ 220,617	-\$ 12,068	-\$ 29,580	-12%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant.
23	Council & Staff Education &				\$ 55,600	\$ 42,553	\$ 37,905	\$ 4,648	-\$ 13,047	-23%	Staff and Board Professional Development, includes staff CE, facilitative chair training.

	A				D	E	F	G	H	I	H
					2024 Budget	Actuals December 31, 2024 (unaudited)	Actuals December 31, 2023	Variance from 2024 to 2023 (=E-F)	Variance to 2024 Budget (=E-D)	Variance to 2024 Budget %	Notes
24											
25	Database				\$ 160,000	\$ 139,432	\$ 177,017	-\$ 37,585	-\$ 20,568	-13%	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.
26	External Relations				\$ 64,500	\$ 63,622	\$ 80,251	-\$ 16,629	-\$ 878	-1%	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.
27	General Operational				\$ 245,801	\$ 260,189	\$ 324,513	-\$ 64,324	\$ 14,388	6%	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.
28	IT Requirements				\$ 123,648	\$ 132,081	\$ 116,192	\$ 15,889	\$ 8,433	7%	Include the hard costs to support the College's computer systems, staff computer hardware, licensing costs of the database and email hosting.
29	Investigator				\$ 65,000	\$ 115,799	\$ 62,389	\$ 53,410	\$ 50,799	78%	Investigators for the ICRC Process. <i>Actual 2024 to date:</i> 4 completed, 7 carried over from 2022, 18 carried over from 2023. \$11,847 incurred in 2023 but not invoiced by the vendor until March 2024. 10 investigations have employed external investigators, 1 has taken on forensics which has added to investigation costs.
30	Legal				\$ 145,250	\$ 81,185	\$ 42,489	\$ 38,696	-\$ 64,065	-44%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
31	Quality Assurance Program Costs				\$ 25,200	\$ 6,303	\$ 3,300	\$ 3,003	-\$ 18,897	-75%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training. In 2024, 658 registrants received an email that their portfolio was seemingly incomplete. By the time the random selection was done, 401 had corrected any issue resulting in a much smaller random selection that anticipated.
32	Rent				\$ 257,725	\$ 257,621	\$ 254,912	\$ 2,709	-\$ 104	0%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
33	Salaries				\$ 1,744,669	\$ 1,830,111	\$ 1,505,531	\$ 324,580	\$ 85,442	5%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses
34	Strategic Initiatives				\$ 93,000	\$ 64,896	\$ 47,558	\$ 17,338	-\$ 28,104	-30%	Includes administrative initiatives (staff retention and team building), ongoing Governance work, and funds for board initiatives supporting the strategic plan.