

BRIEFING NOTE

TO: Board of Directors

FROM: Fazal Khan, Registrar and CEO

DATE: June 1, 2026

SUBJECT: Financial Condition Policy (2-03) Monitoring Report

☐ For Decision ☐ For Information ☒ Monitoring Report

Purpose:

To provide the Board with a monitoring report on the Financial Condition Policy, in accordance with the monitoring report schedule approved by the Board.

CEO Interpretation and Evidence:

The Financial Condition Policy (2-03) was approved by the Board in September 2021 and recently revised in June 2023.

The information contained in this monitoring report represents compliance with a reasonable interpretation of the policy. The monitoring report covers the period from June 2025 to May 2026. The next Financial Condition Policy Monitoring report is due in June 2027.

Policy Requirement	Interpretation and Evidence
Financial Position	The 2025 fiscal year ended with a surplus of revenues over expenditures in the amount of \$412,348. The College's audited net assets on December 31, 2025 were \$6,341,958, including \$96,360 in restricted assets.
Expenditure	The 2025 fiscal year ended with sufficient liquidity to operate in 2026. Expenses for the Strategic Planning meetings were well managed resulting in a -\$48,369 (-36%) variance to the budget. This was managed by selecting off season dates for the meetings to secure lower venue costs and prepaying for some expenses in 2024. Overall total expenditures were under budget by 7% including committee expenditures trending below budget, as well as some communications and consulting projects deferred to 2026. Budget line variances were presented and explained to the Executive Committee each quarter and approved prior to the final presentation to the Board.

Debt	No funds were borrowed or loaned in 2025 or in Q1/Q2 of 2026.
Reserve Funds	General reserve funds were not accessed in 2025 as a budgeted surplus was anticipated at year end. At the December 2025 meeting, the Board was informed that no funds from the general reserve fund would be used in 2026 for operational activities. The restricted reserve for the funding of Therapy and Counselling remains unused for the period.
Payments and Receivables	Vendor payments, payroll, Board expenses, source deductions, and HST payments were remitted in accordance with a 30 day payment schedule; with EFT payments issued every two weeks and cheques phased out.
Reporting	The Financial Condition of the College was reported to the Executive Committee (in their capacity as the Finance Committee) and the Board each quarter through the Financial Variance Report. The report includes quarterly actuals of the current and previous year, \$ differences from the previous year, % variance to the previous year, and % variance to the total budget. The Executive Committee reviews the report in detail and assesses the financial condition of the College prior to the presentation to the Board.

Public Interest Considerations:

This policy serves the public interest by ensuring the College maintains a stable and sustainable financial position to support its regulatory mandate and ongoing operations. Ongoing financial monitoring, conservative budgeting practices, regular variance reporting, and responsible expense management help ensure that registrant fees and College resources are managed transparently, prudently, and in a manner that supports public confidence in the College's oversight responsibilities.

Diversity, Equity, and Inclusion Considerations:

The College's financial management practices are applied consistently and in accordance with approved policies and budgeting processes. No specific DEI-related concerns or barriers were identified during this reporting period in relation to the interpretation or application of this policy.

Risk Management Consideration:

The policy being monitored falls into the Operational Boundaries policy category. In reviewing this monitoring report, the board should consider whether it is satisfied with the Registrar, CEO's interpretation and application of the policy to manage risk relating to the COO's financial position and its ability to operate within its means.

Recommendations/Action Required:

The Board is asked to consider the following questions:

- 1) Was the Registrar, CEO's interpretation of the policy reasonable?
- 2) In the Board's opinion, did the Registrar, CEO comply with this policy?

POLICY TYPE: OPERATIONAL BOUNDARIES

2-03 Financial Condition Policy

With respect to the ongoing financial health and condition of the COO, the Registrar, CEO shall not cause or allow the development of unnecessary financial risk, such that there would not be sufficient cash flow to meet obligations in the normal course of business. Further, the Registrar, CEO shall not cause or allow material deviation of expenditures from the Board priorities established in the Strategic Outcomes Policies.

Accordingly, the Registrar, CEO shall not:

Financial position

1. Finish the fiscal year in an annual operating deficit with expenditures that exceed revenues without prior approval of the Board.

Expenditure

2. End the fiscal year without sufficient liquidity to operate in the next year.
3. Make a single unbudgeted purchase or commitment of greater than \$30,000 without prior Board approval. Splitting orders to avoid this limit is not acceptable.
4. Deviate from the overall budget in any quarter by more than twenty-five percent (25%) without prior Board approval unless the financial plan for the remainder of the year is adjusted to address the deviation by year-end.
5. Receive, process, or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.

Debt

6. Borrow from a financial institution without prior Board approval.
7. Without prior Board approval, indebt the organization by an amount greater than can be repaid by unencumbered revenues within 90 days or by the end of the fiscal year (whichever comes first).
8. Loan COO funds to any party.

Reserve Funds

9. Use internally restricted funds for purposes other than those designated in the budget, e.g. funding for sexual abuse therapy may not be allocated to other budget line items, such as investigations (See Reserves Policy, 2-07).
10. Fail to ensure that reserves are maintained as per the Reserves Policy.

Payables and Receivables

11. Allow payroll, source deductions or other government payments to be overdue.
12. Fail to pay other accounts payable in a timely manner and according to the terms of any contractual agreement.
13. Fail to employ reasonable measures to pursue receivables after a reasonable grace period.

Reporting

14. Fail to report on the financial condition of the College to the Board on a quarterly basis.
15. Fail to identify, on a quarterly basis, individual line items that are expected to deviate from the amount budgeted by more than 10% before the end of the year.