

Financial Report (2025)

This report covers the fiscal year running from November 1st, 2024 to October 31st, 2025.

We are pleased that we finished the year in a positive financial position. Although the budget had a planned deficit of \$650,000, AOLS ended the year with a surplus of approximately \$266,000. The main contributing factors are as follows:

- Revenue was higher by about \$65,000 despite a significant decrease in Plan Submission Form sales. This was due to an increase in the amount of fees collected and an increase in interest income from our investments.
- Expenses were lower by about \$851,000. This was due to the following savings:
 - Salaries (\$71,000). This includes cost recovery from Insurance and change in staff structure at the office.
 - Office Administration Costs (\$46,000)
 - Building (\$24,000)
 - Committee Costs – particularly Marketing and Recruitment (\$117,000)
 - Discipline Costs due to hearings being scheduled in the next fiscal year (\$206,000)
 - Special projects including the Strategic Plan, Member Management System and Website (\$221,000)
 - AGM Surplus (\$110,000)
 - Legal (\$13,000)
 - SRD (\$87,000)
- We overspent approximately \$40,000 on the PSRI, credit card charges and book write offs.

The planned deficit was large due to a number of factors one of which was implementing modernization tools such as the member management system, new website and scanning project. We had accounted the full costs of these projects into the budget which was not appropriate. Going forward, we will follow recommended accounting principles and amortize the cost of these projects over several years.

2025-2026 Budget

The new budget was informed by past performance but also included the following significant changes:

- The cost for the member management system and website have been amortized over 3 years.
- The cost to scan all the documents in the office has been absorbed by assigning it to staff to complete.
- Salaries have increased to align with inflation.
- Discipline reserve fund has significantly increased due to the number of expected hearings to occur.
- There is an expectation of a decline in revenue from plan submission stickers due to an anticipated contraction of the economy.

With these factors in mind, we are projecting a deficit of \$190,000.

At the time the budget was approved by Council, the issues surrounding the PSRI were not known. Depending on the direction AOLS takes with respect to the PSRI, the budget may be affected.

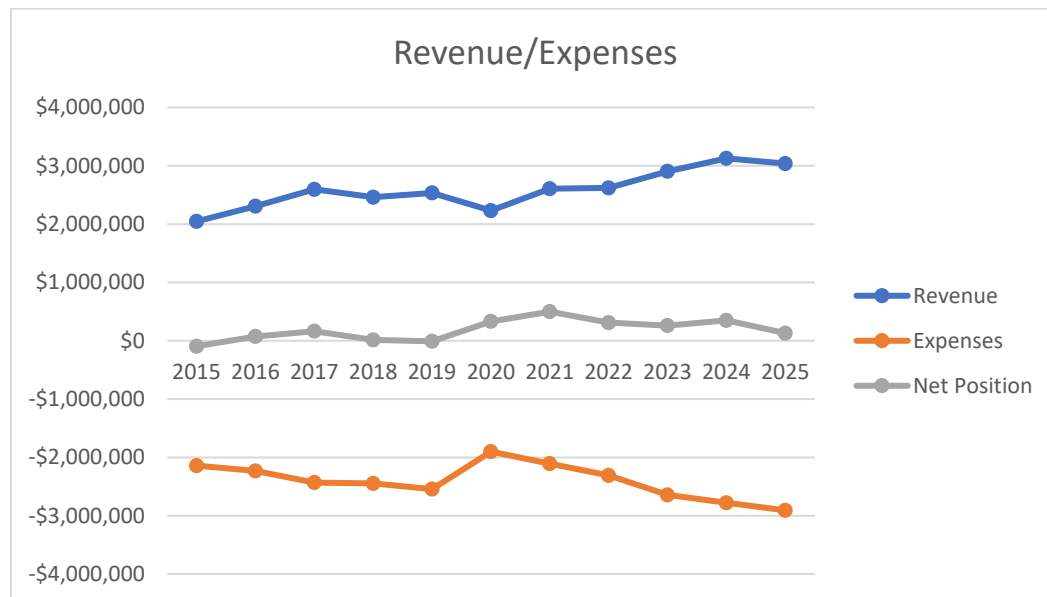
Additionally, after the budget was approved, the rate of attrition was higher than expected and will decrease fee revenues.

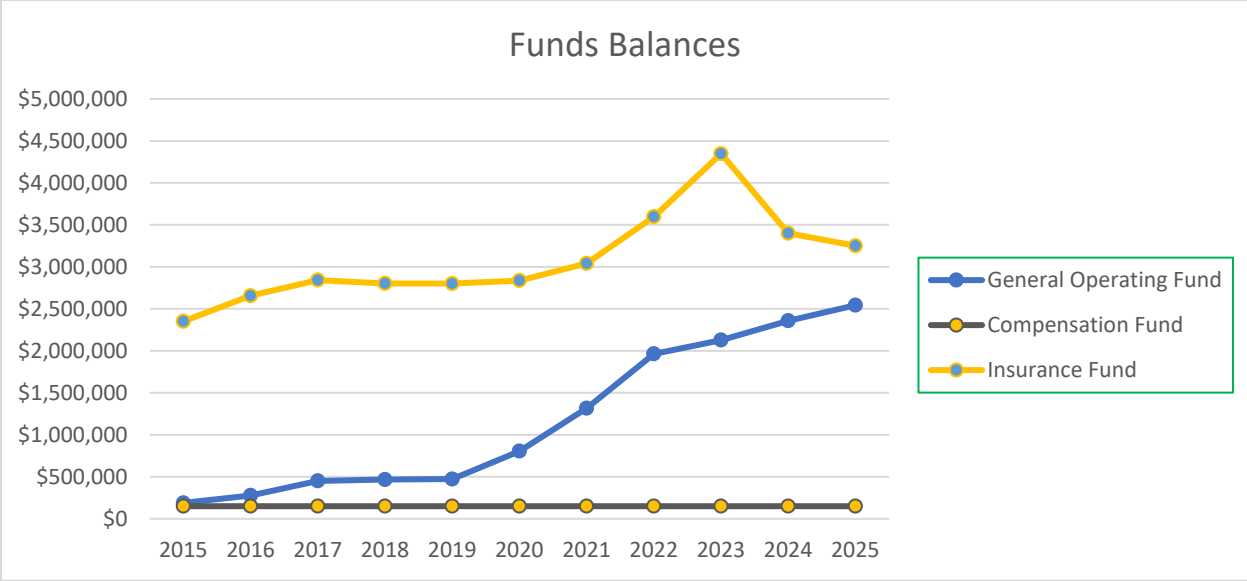
Long Term Situation

AOLS is currently holding 9 months of operating costs in reserve. The planned deficit will decrease these reserves but unavoidable as the investment into technology and projections for discipline costs are necessary. This will require expenses will need to be lowered where possible. AOLS can investigate the possibility of identifying new revenue streams as fees and interest income are currently our main two sources. However, challenges ensue to the nature of all costs rising including legal non-discipline costs, enforcement of unauthorized practices and development and implementation of new systems such as the PSRI. Adding that the rate of attrition was higher than expected, AOLS may face significant challenges in achieving our goal of carrying a full year of operating costs in reserve.

The cost of insurance claims is rising. It is becoming increasingly common to see single claims upwards of \$1M. To keep insurance premiums from drastically increasing, the self-insured retention fund was raised from \$550,000 to \$600,000 and is expected to rise to \$700,000 this year.

As you can see from the chart below, our net position over the last 10 years has been relatively flat which would be expected from a regulator. But as mentioned above, we are projecting a deficit in next year's budget which may continue over the next few years depending on factors such as technology.





Please see the 2025 budget and the Financial Statements from RSSM_{LLP} Chartered Professional Accountants. In summary, the Association is in a healthy financial position with sufficient reserves.

Al Jeraj, OLS
Treasurer and Executive Director

Robin Fleguel, OLS
Finance Councillor

BUDGET

Nov 1, 2025-October 31, 2026

REVENUE	
Fees and Licenses	\$1,756,444
Interest Income	\$220,000
Discipline Cost Recovery	\$85,000
PSRI Fees	\$129,000
AGM	\$455,5000
Plan Submission Revenue	\$500,000
Other Income	\$38,000
TOTAL REVENUE	\$3,183,944
EXPENSES	
Salaries	\$1,029,535
PSRI Cost	\$150,000
Office Administration	\$197,000
Committee Expenses	\$138,000
Building Costs	\$70,785
Discipline Costs	\$400,000
AGM Costs	\$425,500
Legal Fees	\$25,000
Special Projects	\$248,000
Other Expenses	\$35,500
SRD Expenses	\$655,600
TOTAL EXPENSES	\$3,374,420
NET PROFIT/LOSS	-\$190,476