

Ontario College of Teachers

Financial Report

December 31, 2019

Ontario College of Teachers Financial Report Results for the period ending December 31, 2019

The 2019 College program revenue and expenditure trends are within expectations with the exception of the Investigations and Hearings department where the case mix and demands influenced spending patterns.

Revenues

The overall College revenue experience represented 101% of the annual budget as at December 31, 2019 year-end or \$38,061,679. Revenue collection trends are outlined below.

At year-end all of the annual membership fees were collected for 2019 representing \$35,265,312 within the budgeted target range and equivalent to 235,102 member payments.

The collection of other fee revenue slightly exceeded budgeted expectations by \$144,642. A significant portion of this increase in revenue related to evaluations for out of province candidates up by \$105,498 complimented by a slight increase in member reinstatements which exceeded plan by \$20,248.

Advertising revenue collection ended the year at 74% of budget levels or \$786,923 in collections representing a loss in advertising partner's equivalent to \$271,077.

Investment returns on short term instruments were better than planned representing higher rates of return in the first half of the year exceeding budgeted levels by \$277,963.

Expenses

The overall College expenditure experience represented 98% of the annual budget as at December 31, 2019 year-end or \$41,346,179. The following program spending patterns represent notable variances from plan.

Investigations and Hearings spending pattern was significantly higher than the previous year spending at \$6,066,117. The year-end spending variance was equivalent to \$1,275,697 primarily attributed to overspending on legal counsel for discipline activities. The cost pressures related to complex files, and panel costs, due to a rise in the number of hearings representing a push to move discipline matters. Investigation costs were also slightly

overspent by \$39,230 representing a 5% increase in output attributed to panel costs and increased use of independent legal counsel services. Lastly, Fitness to Practise expense was overspent by \$107,594 also attributed to panel costs and increased use of independent legal counsel services. During 2019, intake staff addressed 850 new intake files, as well as 888 expressions of concern / employer notifications. The Investigation Committee disposed of 412 complaints. The year-end workload carried forward into 2020 includes 446 open investigation files and 321 open hearings files.

Conversely, Standards of Practice & Accreditation favourable year-end spending variance was equivalent to \$161,741 attributed mostly to underspending on pre service accreditation, AQ program, and teacher research activities.

Corporate and Council Services 2019 spending pattern resulted in a year-end favourable variance equivalent to \$481,751. Notable underspends include underspending on legal counsel for Policy unit related activities including administrative legal advice, panel costs, appeal hearings and consulting equivalent to \$191,186 and general underspending by the Business Services and Communications units equivalent to \$267,898 related to facilities maintenance, College magazine and equipment rentals.

Based on the 2019 College program spending patterns the expected draw from reserve for the 2019 fiscal period is equivalent to \$3,732,467.

Fred Towers, MBA, CPA, CMA
Controller

Ontario College of Teachers

For the Period Ending December 31, 2019.

Statement of Operations*(in thousands of dollars)*

	Actual 31-Dec-19	Actual % of Budget	Budget 2019	Actual % of 31-Dec-18	Actual 31-Dec-18	Actual 31-Dec-2018
Revenue						
Annual Membership Fees	35,265	101%	35,002	100%	35,209	35,209
Unearned Portion of AMF	0	0%	0	0%	0	0
Other Fees	1,429	111%	1,285	74%	1,932	1,932
Advertising Revenue	787	74%	1,058	98%	801	801
External Project Funding	12	25%	49	11%	110	110
Investment & Other Income	568	199%	286	125%	453	453
Total Revenue	38,062	101%	37,680	99%	38,504	38,504
Expense						
Employee Compensation	21,938	98%	22,364	103%	21,279	21,279
Council and Committees	705	87%	811	76%	933	933
Membership Services Department	46	69%	66	91%	50	50
Investigations & Hearings	6,066	127%	4,790	147%	4,132	4,132
Standards of Practice and Accreditation	538	77%	700	114%	472	472
Office of the Registrar & Finance	606	87%	698	94%	645	645
Corporate and Council Services	7,349	94%	7,831	105%	6,978	6,978
Occupancy Costs 101 Bloor West	1,911	89%	2,146	99%	1,922	1,922
Public Awareness Initiative	0	0%	0	0%	0	0
Council Elections	0	0%	0	100%	220	220
Amortization	2,186	81%	2,713	99%	2,217	2,217
Total Expense	41,346	98%	42,119	106%	38,850	38,850
Net Surplus/(Deficit)	(3,285)	74%	(4,440)	951%	(345)	(345)
Extraordinary Items:						
Property Tax and GST Recoveries	0	0	0	0	0	0
Net Surplus/(Deficit) for the College	(3,285)	74%	(4,440)	951%	(345)	(345)

Ontario College of Teachers

Balance Sheet

As At December 31, 2019

	31-Dec-19 (\$000)	31-Dec-18 (\$000)
ASSETS		
Current Assets		
Cash and Investments	1,912	3,491
Restricted Cash	7,743	8,372
Accounts Receivable	379	353
Prepaid Expenses	243	191
Capital Assets	5,091	4,054
Leasehold Improvements	6,765	7,687
Building	8,770	9,198
Land	7,660	7,660
Total Assets	38,564	41,007
Liabilities and Members' Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	4,701	3,880
Unearned Annual Membership Fees	0	0
Deferred Revenue	1,444	777
Deferred Salaries	619	504
Mortgage	13,999	14,761
Members' Equity	17,801	21,085
Total Liabilities and Members' Equity	38,564	41,007