

Ontario College of Teachers

Financial Report

December 31, 2022

Ontario College of Teachers

Financial Report

Results for the period ending December 31, 2022

The 2022 College revenue collections and program expenditures reflect a positive year-end financial position with planned revenues slightly exceeding expectations in the fourth quarter. College-wide year-end spending trends reflected program underspending evidenced in a higher than planned staff vacancy rate and the Collège's ongoing program service adjustments emphasizing virtual offerings which required less funding inputs.

Revenues

The College 2022 year-end revenue collection trends are outlined below.

- (1) The number of College memberships processed in 2022 was 229,411. At year-end annual membership fees were within forecasted expectations at 1% of budgeted forecasts representing \$39,000,015 of the membership revenue base.
- (2) The College charges fees for member and applicant services, the largest of which are registration, evaluations, and reinstatement fees. The collection of 2022 other fee revenue represents \$2,225,241 which exceeded expectations for the year attributed to 1,952 more registrations than planned, 430 more evaluations, and 2,933 more member reinstatements.
- (3) Advertising revenue exceed plan at year-end by \$204,629 reflecting a successful effort to attract new advertising partners for the College's publications.
- (4) The College invests funds not immediately required for current business operations. The investments are short-term in nature with a low risk profile as outlined in the College investment policy. Investment returns on short-term instruments a year-end exceeded expectation by \$232,772 as the College's return on investments increased as market rates of return increased during the year. A surplus benefits reserve amount of \$503,477 from the College's Canada Life benefit provider was deposited in the first quarter impacting positively on year-end revenue.

Expenses

The 2022 College expenditures were \$39,584,433 representing an underspend of \$5,156,151. The following program spending patterns represent notable variances from plan.

Employee Compensation- Favorable Variance \$1,782,264

The employee compensation 2022 budget was based on 181 full time positions. In 2022 the College experienced underspending which included staff training, staff positions, secondments and temporary help backfills equivalent to 14 FTE vacancies throughout the year.

Council & Committees - Favorable Variance \$687,662

Budget allocations are provided for Council members attending meetings based on a standard per diem that includes return travel costs, one day of accommodation and meals and one day of teacher replacement costs. Other budgeted costs include provision for services directly related to Council meetings, and equipment for Council members. The budget allocation was underspent based on spending patterns for meetings expense and travel which tended to be virtual therefore required less incidental spending.

Investigations & Hearings - Favorable Variance \$608,149

Investigations and Hearings administration expenses related to travel, conferences, meetings, and administrative costs was underspent by \$90,836 in 2022. The budget for Investigation activities related to panel meeting costs, general counsel, expert opinions and panel deliberations, consultants, interpretation services, staff travel, meetings and materials costs were \$48,782 underspent due to less travel and external consultations. The allocation for Professional Conduct activities provides for external legal counsel and related legal disbursements, release time, panel meeting costs, prosecution counsel, independent counsel, panel court reporter, witness, expert opinion, simultaneous translation, individual interpreter costs and transcriptions of panel discussions. Year-end underspending in this category was equivalent to \$207,792 attributed external legal fees being slightly less than planned. The allocation for Fitness to Practise activities provides for external legal counsel and related legal disbursements, panel meeting costs, prosecution counsel, independent counsel, panel court reporter, witness, expert opinion, simultaneous translation, individual interpreter costs and transcriptions of panel discussions. Legal costs were underspent by \$260,740 attributed to less external legal consult spending than planned.

Standards of Practice and Accreditation - Favorable Variance \$441,033

SPA administration provides for departmental meetings, travel and administrative costs, consulting resources and meeting and administrative expense for program service and development initiatives. Overall administrative expenses were underspent by \$61,783. The budget allocation for Accreditation provides for travel, release time, honoraria, meeting, and other administrative costs associated with the accreditation of faculties of education and other organizations for pre-service and in-service programs. This category was underspent by \$164,988 at year-end attributed to less preservice program area activity costs. The Standards of Practice and Education budget allocation provides for travel, release time, honoraria, meeting, and other administrative costs that support the integration of Standards of Practice for the Teaching Profession and Ethical Standards for the Teaching Profession into pre-service and in-service teacher education programs and to the practice of teaching in Ontario classrooms. Underspending occurred in the program development and implementation, and research into teacher education categories with an overall underspend equivalent to \$214,261.

Corporate and Council Services - Favorable Variance \$1,392,124

Corporate and Council Services 2022 spending pattern resulted in a year-end favourable. Notable underspends include underspending on legal counsel for Policy unit related activity underspends included external relations outreach, panel costs, appeal hearings and

consulting equivalent to \$568,006. General underspending by the Business Services and Communications units equivalent to \$655,304 related to a reduction in facilities maintenance and communications spending all impacted by a move to a hybrid working model and online virtual service offerings. Information Services was slightly underspent related to computer supplies and technical consulting \$55,414.

Fred Towers, MBA, CPA
Controller

Ontario College of Teachers

For the Period Ending December 31, 2022.

Statement of Operations

(in thousands of dollars)

	Actual 31-Dec-22	Actual % of Budget	Budget 2022	Actual % of 31-Dec-21	Actual 31-Dec-21	Actual 31-Dec-2021
Revenue						
Annual Membership Fees	39,000	99%	39,566	100%	39,064	39,064
Unearned Portion of AMF	0	0%	0	0%	0	0
Other Fees	2,225	150%	1,482	158%	1,406	1,406
Advertising Revenue	285	356%	80	49%	587	587
External Project Funding	0	0%	0	0%	0	0
Investment & Other Income	1,095	304%	360	482%	227	227
Total Revenue	42,605	103%	41,489	103%	41,284	41,284
Expense						
Employee Compensation	22,417	93%	24,200	92%	24,403	24,403
Council and Committees	200	23%	888	35%	570	570
Membership Services Department	41	63%	66	39%	105	105
Investigations & Hearings	5,032	89%	5,640	93%	5,403	5,403
Standards of Practice and Accreditation	259	37%	700	51%	509	509
Office of the Registrar & Finance	631	90%	698	111%	568	568
Corporate and Council Services	5,197	79%	6,589	74%	6,977	6,977
Occupancy Costs 101 Bloor West	1,674	78%	2,146	102%	1,637	1,637
Public Awareness Initiative	0	0%	0	0%	0	0
Council Elections	0	0%	0	100%	6	6
Amortization	4,132	108%	3,813	135%	3,050	3,050
Total Expense	39,584	88%	44,741	92%	43,228	43,228
Net Surplus/(Deficit)	3,021	-93%	(3,252)	-155%	(1,944)	(1,944)
Extraordinary Items:						
Property Tax and GST Recoveries	0	0	0	0	0	0
Net Surplus/(Deficit) for the College	3,021	-93%	(3,252)	-155%	(1,944)	(1,944)

Ontario College of Teachers

Balance Sheet

As At December 31, 2022

	31-Dec-22 (\$000)	31-Dec-21 (\$000)
ASSETS		
Current Assets		
Cash and Investments	10,766	1,281
Restricted Cash	3,408	7,743
Accounts Receivable	107	278
Prepaid Expenses	157	314
Capital Assets	4,769	6,836
Leasehold Improvements	3,779	4,769
Building	7,487	7,915
Land	7,660	7,660
Total Assets	38,132	36,796
Liabilities and Members' Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	3,746	4,805
Unearned Annual Membership Fees	0	0
Deferred Revenue	1,604	1,387
Deferred Salaries	195	525
Mortgage	12,322	12,834
Members' Equity	20,265	17,245
Total Liabilities and Members' Equity	38,132	36,796

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Year-end Surplus

As At December 31, 2022

The College's financial position at year-end produced a surplus resulting in a recommended contribution to restricted cash balance reserve as outlined in the following reconciliation.

Restricted Cash Draw Calculation	2022 Year-end
Net Surplus for 2022 Fiscal Period - Accrual Basis	\$3,020,703
Add: Amortization a noncash expense	4,132,234
Less: Capital Expenditures - Non-IT	(57,722)
Less: Capital Expenditures – IT	(589,098)
Less: Mortgage Capital	(512,308)
2022 Year-end Surplus	5,993,809
Current Restricted Cash Balance	<u>3,407,835</u>
2023 Opening Balance for Restricted Cash	\$9,401,644