

Ontario College of Teachers

Financial Report

September 30, 2020

Ontario College of Teachers

Financial Report

Results for the period ending September 30, 2020

The third quarter College program revenue and expenditure experience has been impacted by COVID -19 pandemic. Overall both College spending patterns and revenue collections are less than planned. Forecasting spending trends to year-end the College is expected to be in a surplus position.

Revenues

The majority of annual membership fees has been collected after the third quarter of 2020 representing \$38,861,375 or 98.3% of the membership revenue base. The expectation is to collect some of the outstanding membership revenues over the fourth quarter but not all.

The collection of 2020 other fee revenue to date is \$995,196 or 52.8% of the annual budget largely attributed to less registration fees and member reinstatements. The level of registrations for new graduates, out of province, and other countries prospective members are less than planned by 1,522 members or 26.8%. Reinstatements are also less than planned by 4,234 members or 76%. Both the registration and reinstatement activity has been impacted by COVID – 19.

Advertising revenue is at 57.3% of budget or \$490,004 representing revenue from advertising partners for both the College magazine and website slightly less than last year's collection pattern.

Investment returns on short-term instruments of \$291,111 or 91.0% of budget are above target for the third quarter.

Expenses

The overall College expenditure investment represents 69.1% of the annual budget after the third quarter or \$30,481,442. Of note is the ongoing trend to underspend the travel and hospitality, conferences, office supplies, and catering expenses directly attributed to the College one-site occupancy restrictions. The underspend in these categories at the end of the third quarter is equivalent to \$3,494,637 or 78%.

As of September Investigations and Hearings has spent \$4,054,681 or 84.6% of the 2020 budget. The majority of the department spend is attributed to an investment in legal services related to case management which is forecasted to be overspent by year-end.

Corporate and Council Services spending patterns were 16.2% or \$908,898 less than the same period last year. This department experienced underspending in Communications of \$437,226 due to a decline in expenditures related to communication services and stationary

usage. Policy & Research underspent by \$306,827 over the same period last year resulting from a curtailment of external relations events and program legal costs. Business Services investment in facility related costs were more by \$48,974 than the same period last year related to the building maintenance and repairs.

Standards of Practice and Accreditation is \$172,196 underspent compared to the same period last year. The department underspent across the board. Of note was the underspending related to AQ programs and accreditation activities.

Based on the College spending patterns over the first three quarters program underspending is forecasted to offset any revenue shortfalls. Forecasting out to year-end the Investigations & Hearings department expenditures related to discipline actives are expected to be overspent. Overall the College is forecasted to post a year-end surplus.

Fred Towers, MBA CPA
Controller

Ontario College of Teachers

For the Period Ending September 30, 2020.

Statement of Operations*(in thousands of dollars)*

	Actual 30-Sep-20	Actual % of Budget	Budget 2020	Actual % of 30-Sep-19	Actual 30-Sep-19	Actual 31-Dec-2019
Revenue						
Annual Membership Fees	38,862	98%	39,544	111%	35,045	35,265
Unearned Portion of AMF	(9,204)	0%	0	105%	(8,794)	0
Other Fees	995	53%	1,884	87%	1,150	1,429
Advertising Revenue	490	57%	855	84%	586	787
External Project Funding	0	0%	0	0%	12	12
Investment & Other Income	291	91%	320	60%	488	568
Total Revenue	31,434	74%	42,603	110%	28,487	38,062
Expense						
Employee Compensation	17,229	74%	23,255	107%	16,138	21,938
Council and Committees	450	55%	811	99%	452	705
Membership Services Department	25	38%	66	74%	35	46
Investigations & Hearings	4,055	85%	4,790	97%	4,168	6,066
Standards of Practice and Accreditation	202	29%	700	54%	374	538
Office of the Registrar & Finance	444	64%	698	78%	567	606
Corporate and Council Services	4,673	56%	8,334	84%	5,574	7,349
Occupancy Costs 101 Bloor West	1,398	65%	2,146	97%	1,438	1,911
Public Awareness Initiative	0	0%	0	0%	0	0
Council Elections	22	21%	105	100%	0	0
Amortization	1,983	62%	3,216	96%	2,055	2,186
Total Expense	30,481	69%	44,122	99%	30,802	41,346
Net Surplus/(Deficit)	953	-63%	(1,519)	-41%	(2,315)	(3,285)
Extraordinary Items:						
Property Tax and GST Recoveries	0	0	0	0	0	0
Net Surplus/(Deficit) for the College	953	-63%	(1,519)	-41%	(2,315)	(3,285)

Ontario College of Teachers

Balance Sheet

As At September 30, 2020

	30-Sep-20 (\$000)	31-Dec-19 (\$000)
ASSETS		
Current Assets		
Cash and Investments	14,158	1,912
Restricted Cash	4,010	7,743
Accounts Receivable	252	379
Prepaid Expenses	145	243
Capital Assets	5,356	5,091
Leasehold Improvements	6,044	6,765
Building	8,450	8,770
Land	7,660	7,660
Total Assets	<u>46,075</u>	<u>38,564</u>
Liabilities and Members' Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	3,576	4,701
Unearned Annual Membership Fees	9,204	0
Deferred Revenue	600	1,444
Deferred Salaries	487	619
Mortgage	13,455	13,999
Members' Equity	18,754	17,801
Total Liabilities and Members' Equity	<u>46,075</u>	<u>38,564</u>