

Ontario College of Teachers

Financial Report

June 30, 2020

Ontario College of Teachers

Financial Report

Results for the period ending June 30, 2020

The 2020 second quarter College program revenue and expenditure experience has been impacted by COVID -19 pandemic workplace restrictions. Both College spending patterns and revenue collections are less than planned.

The College's financial position is not expected to be adversely impacted by the pandemic as we move forward into the third quarter. There is an intention to collect outstanding revenues related to membership fees in September 2020.

Revenues

The majority of annual membership fees has been collected after the second quarter of 2020 representing \$37,368,966 or 94.5% of the membership revenue base. A plan is in place to collect the balance of the membership renewals in the next fiscal quarter.

The collection of 2020 other fee revenue to date is \$716,431 or 38.0% of the annual budget largely attributed to registration fees and member reinstatements. The level of reinstatements are less than planned related to the decision to extend the fee submission deadline.

Advertising revenue is at 37.5% of budget or \$320,313 representing revenue from advertising partners for both the College magazine and website over the first quarter similar to last year's collections.

Investment returns on short-term instruments of \$232,132 or 72.5% of budget are above target for the second quarter.

Expenses

The overall College expenditure investment represents 46.8% of the annual budget after the first quarter or \$20,670,987. A comparison of spending in 2019 at the same time period reflects 49.4% of the budget. Of note was the 54% or \$913,370 underspending related to travel and hospitality, conferences, office supplies, and catering expenses directly attributed to the College one-site occupancy restrictions.

After the first six months Investigations and Hearings pace of overall spending is 8.5% or \$183,628 greater than the same period last year. Of note was the fact that all I & H program spending was less than the same period last year with the exception of discipline activities spending which was an outlier up by 11.4% or 293,726 over last year at the same time period. When compared the actual spend two years ago, the half year spend in 2018 was \$1,967,167 for discipline activities. Therefore the 2020 spend is 30.8% higher or \$605,669 higher than the 2018 experience as a comparator.

Corporate and Council Services spending patterns were 21.4% or \$857,457 less than the same period last year. This department experienced underspending in Communications of 22.3% or \$316,615 due to a decline in expenditures related to communication services and stationary usage. Policy & Research underspent 52.7% or \$249,861 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 was 38.9% or \$63,040 less related to the building occupancy restrictions.

Standards of Practice and Accreditation was 39.2% or \$108,059 less than the same period last year. The department underspent across the board. Of note was the underspending related to AQ programs and accreditation activities.

The College spending patterns will be closely monitored over the next quarter to determine the extent of the overall trend to underspend. At the same time it will be important to monitor the overspending in Investigations & Hearings related to discipline actives to assess the financial impact on 2020 College spending. The plan to collect outstanding membership fees and to monitor spending patterns closely and take corrective action as required will ensure the College will remain in a good financial position.

Fred Towers, MBA, CPA
Controller

Ontario College of Teachers For the Period Ending June 30, 2020.

Statement of Operations

(in thousands of dollars)

	Actual 30-Jun-20	Actual % of Budget	Budget 2020	Actual % of 30-Jun-19	Actual 30-Jun-19	Actual 31-Dec-2019
Revenue						
Annual Membership Fees	37,369	95%	39,544	108%	34,582	35,265
Unearned Portion of AMF	(17,597)	0%	0	103%	(17,081)	0
Other Fees	716	38%	1,884	82%	879	1,429
Advertising Revenue	320	37%	855	95%	336	787
External Project Funding	0	0%	0	0%	12	12
Investment & Other Income	232	73%	320	67%	347	568
Total Revenue	21,041	49%	42,603	110%	19,074	38,062
Expense						
Employee Compensation	11,477	49%	23,255	107%	10,732	21,938
Council and Committees	339	42%	811	111%	306	705
Membership Services Department	22	33%	66	91%	24	46
Investigations & Hearings	2,818	59%	4,790	107%	2,635	6,066
Standards of Practice and Accreditation	168	24%	700	61%	276	538
Office of the Registrar & Finance	404	58%	698	79%	515	606
Corporate and Council Services	3,156	38%	8,334	79%	4,013	7,349
Occupancy Costs 101 Bloor West	965	45%	2,146	102%	945	1,911
Public Awareness Initiative	0	0%	0	0%	0	0
Council Elections	0	0%	105	100%	0	0
Amortization	1,322	41%	3,216	96%	1,370	2,186
Total Expense	20,671	47%	44,122	99%	20,815	41,346
Net Surplus/(Deficit)	370	-24%	(1,519)	-21%	(1,741)	(3,285)
Extraordinary Items:						
Property Tax and GST Recoveries	0	0	0	0	0	0
Net Surplus/(Deficit) for the College	370	-24%	(1,519)	-21%	(1,741)	(3,285)

Ontario College of Teachers

Balance Sheet

As At June 30, 2019

	30-Jun-20 (\$000)	31-Dec-19 (\$000)
ASSETS		
Current Assets		
Cash and Investments	22,273	1,912
Restricted Cash	4,010	7,743
Accounts Receivable	340	379
Prepaid Expenses	144	243
Capital Assets	5,284	5,091
Leasehold Improvements	6,279	6,765
Building	8,557	8,770
Land	7,660	7,660
Total Assets	<u>54,546</u>	<u>38,564</u>
Liabilities and Members' Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	3,791	4,701
Unearned Annual Membership Fees	17,597	0
Deferred Revenue	851	1,444
Deferred Salaries	537	619
Mortgage	13,600	13,999
Members' Equity	18,171	17,801
Total Liabilities and Members' Equity	<u>54,546</u>	<u>38,564</u>