

Financial Statements

Consolidated Balance Sheet as at December 31, 2006

(in thousands of dollars)

	2006 \$	2005 \$
ASSETS		
Current assets		
Cash	761	1,187
Short-term investments - at cost, including accrued interest	17,888	16,253
Accounts receivable	553	398
Prepaid expense	45	-
	19,247	17,838
Deferred election costs	282	22
Property and equipment (note 3)	4,416	5,172
	23,945	23,032
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	3,173	2,900
Deferred revenue	1,051	837
	4,224	3,737
Deferred capital contribution	1,105	1,331
Deferred lease inducements (note 6(a))	1,172	1,375
	6,501	6,443
MEMBERS' EQUITY (NOTE 4)		
Invested in property and equipment	2,139	2,466
Internally restricted		
Reserve for working capital	5,383	5,056
Reserve for fee stabilization	3,422	6,567
Reserve for stabilization of facility costs	6,000	2,000
Unappropriated balance	500	500
	17,444	16,589
	23,945	23,032

Consolidated Statement of Operations for the year ended December 31, 2006

(in thousands of dollars)

	2006 \$	2005 \$
REVENUE		
Annual membership fees	21,565	20,894
Other fees	2,951	2,846
Advertising	1,001	850
Amortization of deferred capital contribution	226	298
Special projects	106	101
Teach in Ontario Project (note 7)	778	762
Interest and other	996	656
	27,623	26,407
EXPENSES		
Employee compensation	13,999	13,267
Council and committees	665	470
General services to members	2,619	2,467
Professional affairs	427	514
Investigations and hearings	2,071	1,914
Operating support	4,686	4,481
Teach in Ontario Project (note 7)	778	762
Amortization	1,523	1,827
	26,768	25,702
Excess of revenue over expenses for the year	855	705

On Behalf of Council

Don Cattani

Don Cattani
Chair of Council

Brian P. McGowan

Brian P. McGowan
Registrar and Chief Executive Officer

Consolidated Statement of Members' Equity for the year ended December 31, 2006

(in thousands of dollars)

						2006	2005
	Invested in	Internally restricted funds					
	property and	Reserve	Reserve	Reserve	Unappropriated	Total	Total
	equipment	for working	for fee	for			
		capital	stabilization	stabilization			
				of facility			
				costs			
	\$	\$	\$	\$	\$	\$	\$
	(note 5)						
Balance -							
Beginning of year	2,466	5,056	6,567	2,000	500	16,589	15,884
Interfund transfers as							
at September 30	-	-	(4,000)	4,000	-	-	-
Excess of revenue over							
expenses for the year	-	-	-	-	855	855	705
Investment in property							
and equipment							
- net of amortization	(327)	-	-	-	327	-	-
Interfund transfers as at							
December 31	-	327	855	-	(1,182)	-	-
Balance - End of year	2,139	5,383	3,422	6,000	500	17,444	16,589

Consolidated Statement of Cash Flows for the year ended December 31, 2006

(in thousands of dollars)

	2006	2005
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	855	705
Add (deduct): Non-cash items reflected in operations		
Amortization of property and equipment	1,482	1,762
Amortization of deferred election costs	41	65
Amortization of deferred lease inducements	(203)	(256)
Amortization of deferred capital contribution	(226)	(298)
Changes in non-cash working capital items		
Accounts receivable	(155)	(33)
Prepaid expenses	(45)	-
Accounts payable and accrued liabilities	273	(457)
Deferred revenue	214	438
	<u>2,236</u>	<u>1,926</u>
Investing activities		
Net purchases of short-term investments	(1,635)	(1,920)
Purchase of property and equipment	(726)	(591)
Election costs incurred	(301)	-
	<u>(2,662)</u>	<u>(2,511)</u>
Increase (decrease) in cash during the year	(426)	(585)
Cash - Beginning of year	1,187	1,772
Cash - End of year	761	1,187

1. ONTARIO COLLEGE OF TEACHERS' MANDATE

The Ontario College of Teachers (the College) was established by an Act of the Ontario Legislature, which was proclaimed on July 5, 1996.

The College is an independent, self-regulating professional body with authority to license and regulate the practice of teaching in Ontario.

The affairs of the College are managed and administered by a Council comprised of 37 members, of whom 23 are elected by the membership and 14 are appointed by the Lieutenant-Governor-in-Council.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the College have been prepared in accordance with Canadian generally accepted accounting principles and reflect the financial affairs of the College and its wholly controlled foundation, Ontario College of Teachers Foundation. The more significant accounting policies are:

Deferred election costs

Council elections are normally held every three years. The cost of conducting these elections is deferred and amortized over the term of the elected members.

Property and equipment

Property and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives, as follows:

Computer equipment	33-1/3% per annum
Furniture and office equipment	10% per annum
Leasehold improvements	over the remaining term of the lease

The College assesses all long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the net carrying amount of an asset exceeds the net recoverable amount.

Deferred capital contribution

Financial contributions received by the College from third parties for property and equipment purchases are deferred and recognized in revenue on the same basis as the amortization of the property and equipment acquired.

Deferred lease inducements

The College amortizes lease inducements over the terms of the respective leases and nets the amortization against rent expense, which results in an average rental cost for premises over the terms of the lease agreements.

Income taxes

As a not-for-profit professional membership organization, the College is not liable for income taxes.

Fair value of financial instruments

The carrying value of cash, accounts receivable, short-term investments, accounts payable and accrued liabilities approximate their fair values because of the near-term maturity of these financial instruments.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. For all estimates, actual results could differ from those estimates.

3. PROPERTY AND EQUIPMENT

	2006		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture	3,843	2,594	1,249
Office equipment	673	413	260
Computer equipment	4,990	4,222	768
Leasehold improvements	6,227	4,088	2,139
	15,733	11,317	4,416

The property and equipment acquired by the College relates to office and meeting space at 121 Bloor Street East.

	2005		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture	3,708	2,217	1,491
Office equipment	574	351	223
Computer equipment	4,498	3,604	894
Leasehold improvements	6,227	3,663	2,564
	15,007	9,835	5,172

4. MEMBERS' EQUITY

The members' equity of the College is comprised of five components. Invested in property and equipment relates to the property and equipment of the College that is not funded by deferred lease contributions or by deferred capital contributions. The reserve for working capital has been established by the College in recognition of the need to provide working capital for continuing operations. The College also maintains a reserve for fee stabilization to help moderate the potential for fee increases in the future. A reserve for stabilization of facility costs was established in 2004 to accumulate funds that can be deployed when the College's main office facility lease expires in 2012. The unappropriated members' equity represents the undesignated funds of the College. At December 31, 2006, the College's Council decided to maintain the unappropriated balance at \$500,000, the reserve for fee stabilization at \$3,422,000, the reserve for working capital at \$5,383,000 and the reserve for stabilization of facility costs at \$6,000,000.

5. MEMBERS' EQUITY INVESTED IN PROPERTY AND EQUIPMENT

	2006	2005
	\$	\$
Property and equipment	4,416	5,172
Less		
Amount financed by deferred capital contribution	(1,105)	(1,331)
Amount financed by deferred lease inducements	(1,172)	(1,375)
	2,139	2,466

6. COMMITMENTS

a) Premises lease commitments

In September 1996, the College entered into a long-term lease agreement, which expires November 30, 2012. The lease is for three floors of office space at 121 Bloor Street East, Toronto. In addition to a rent-free period until November 30, 1997 (valued at \$615,300), the College obtained an allowance for leasehold improvements of \$2,356,891, which is repayable out of rental payments.

In 2000 and 2001, the College leased space on an additional floor. In 2005, an amendment to the September 1996 lease was signed, which consolidated the leased space on all four floors into one lease expiring November 30, 2012.

The estimated annual rental payments, including a provision for operating costs under the lease agreement, are as follows:

	\$
Year ending December 31	
2007	1,896
2008	1,896
2009	1,896
2010	1,896
2011	1,895
Thereafter	1,737
	11,216

b) Other operating lease commitments

The College has entered into various operating lease commitments for office equipment. The estimated annual payments for these operating lease commitments are as follows:

	\$
Year ending December 31	
2007	98
2008	87
2009	32
2010	4
	<hr/> 221

7. TEACH IN ONTARIO PROJECT

The Teach in Ontario Project began in 2004 as a project funded by the Ministry of Training, Colleges and Universities. The project was designed to assist in the licensing and hiring of internationally trained teachers. In 2005, funding responsibility for the project was transferred to the Ministry of Citizenship and Immigration and the project has now been extended to March 31, 2010. The College is the lead recipient in the funding agreement and has formed a partnership with Skills for Change, Local Agencies Serving Immigrants (LASI) World Skills, the Ontario Teachers' Federation and Windsor Women Working With Immigrant Women with regard to various aspects of the project. To December 31, 2006, funding received for the project amounts to \$2,556,870 of which \$2,012,937 has been expended by the College and its project partners. The unexpended portion of funding received has been included in deferred revenue.

8. PENSION PLAN

The College maintains a defined contribution pension plan for its eligible non-teacher employees. Teacher employees are eligible to participate in the Ontario Teachers' Pension Plan. The College matches the contributions made by the employees to their respective plans. The College's annual pension expense amounted to \$741,206 (2005 - \$692,885).

9. ONTARIO COLLEGE OF TEACHERS FOUNDATION

In February 2003, the College established a federal non-profit foundation with charitable status to recognize and support excellence in teacher education through the awarding of scholarships, bursaries and prizes to assist in the education of teachers or those wishing to become teachers. Financial awards, made possible through donations, are paid directly to individuals according to criteria established by the foundation.

The foundation has made an annual commitment to sponsoring enthusiastic, prospective teachers through the Joseph W. Atkinson Scholarship for Excellence in Teacher Education. The award, named for the second registrar of the College, contributes \$2,000 to a student enrolled in one of Ontario's faculties of education. In 2006, donations for the Joseph W. Atkinson Scholarship for Excellence in Teacher Education amounted to \$3,891 and the fourth scholarship of \$2,000 was awarded in September 2006.

The Board of Directors of the foundation is comprised of the Executive Committee and the Registrar of the College and financial activity is consolidated in the annual financial statements of the College.

2006 Statistics

Sources of this data are the Ontario College of Teachers membership register, the financial records of the College and Evaluation Services.

MEMBERSHIP IN THE COLLEGE

		2006		2005	
			%		%
Female	English	139,593	67.5	134,706	67.2
Female	French	9,052	4.4	8,841	4.4
		148,645	71.9	143,547	71.6
Male	English	54,516	26.3	53,313	26.6
Male	French	3,215	1.5	3,092	1.5
		57,731	27.9	56,405	28.1
Unreported	English	476	0.2	451	0.2
Unreported	French	7	< .01	7	< .01
		483	0.2	458	0.2
Total		206,859*		200,410	

* As at December 31, 2006

(Includes only members in Good Standing and Good Standing – Subject to Terms and Conditions)

AGE DISTRIBUTION OF COLLEGE MEMBERS

Age Range	Male				Female				Unreported	
	2006	%	2005	%	2006	%	2005	%	2006	2005
20-30	7,617	3.7	7,418	3.7	29,571	14.3	28,436	14.2	186	209
31-40	16,010	7.7	15,316	7.6	41,723	20.2	39,131	19.5	201	164
41-50	14,312	6.9	13,857	6.9	34,203	16.5	33,343	16.6	78	71
51-60	15,805	7.6	16,214	8.0	36,150	17.5	36,593	18.3	16	13
>60	3,987	1.9	3,600	1.8	6,998	3.4	6,044	3.0	2	1
Totals	57,731	27.9	56,405	28.1	148,645	71.9	143,547	71.6	483	458

CERTIFICATION SUMMARY

	2006	2005
Ontario Graduates	8,566	8,235
Other Canadian	463	565
U.S.	1,907	1,663
Other International	1,481	1,597
Total Certified	12,417	12,060

OTHER STATISTICS

Appeals	38	35
Temporary Letters of Approval Issued	1,324	1,356
Additional Qualifications Granted	36,077	32,557
Additional Qualifications Equivalents Granted	296	317