

Financial Statements

Unit: Toronto Secondary

FY: 2019

President: Gillian Vivona

Treasurer: Joseph D'Addario

LETTER OF ASSURANCE

October 17, 2019

Dear Gillian Vivona,

I am writing to report on my findings after a review of the financial records of the Toronto Secondary unit for the year ended June 30, 2019.

The scope of my review included the unit's accounting records, banking documents, unit by-laws and meeting minutes.

Opinion:

As a result of this review, in my opinion, the financial records are complete and accurate. Sufficient documentation is provided to justify the expenditures made. The financial reporting accurately represents the activities during the year and provides a complete picture of the assets held and liabilities incurred by the Unit.

Yours truly,



Rosanna Arduini, CPA, CA
Chief Financial Officer

_____ Joseph D'Addario, Unit Treasurer

_____ Gillian Vivona, Unit President

cc: David Church, General Secretary, OECTA
Mary Lachapelle, Deputy General Secretary, OECTA

Toronto Secondary
Statement of Financial Position

As at June 30th

	General	Building	2019 Consolidated	2018 Consolidated
Assets				
Current				
Cash and cash equivalents	\$ 136,876	\$ -	\$ 136,876	\$ 146,911
Short-term deposits	193,286	-	193,286	366,338
Accounts receivable (Note 3)	133,583	-	133,583	144,503
Prepaid expenses	2,693	-	2,693	6,047
Due from Building Fund (Note 4)	-	-	-	174,666
	466,438	-	466,438	838,465
Non-current				
Property, plant and equipment (Note 5)	51,597	1,753,896	1,805,494	1,869,902
Building held for sale (Note 6)	-	-	-	94,666
	51,597	1,753,896	1,805,494	1,964,569
	\$ 518,035	\$ 1,753,896	\$ 2,271,931	\$ 2,803,034
Liabilities				
Current				
Accounts payable	246,798	-	246,798	262,793
Deferred contributions				
- EI rebate (Note 7)	64,205	-	64,205	63,491
Due to General Fund (Note 4)	-	-	-	174,666
	311,003	-	311,003	500,951
Non-current				
Promissory Note (Note 8)	-	497,364	497,364	1,549,573
Unearned PD revenue (Note 9)	-	365,556	365,556	430,016
	-	862,920	862,920	1,979,590
Net Assets				
Unrestricted	155,434	-	155,434	(92,501)
Invested in capital assets	51,597	890,977	942,574	414,995
	207,032	890,977	1,098,008	322,494
	\$ 518,035	\$ 1,753,896	\$ 2,271,931	\$ 2,803,034

**Toronto Secondary
 Statement of Revenue & Expenditures - General Fund**

For the year ended June 30th

	2019	2018
	Actual	Actual
FTE	1,984	2,009
Revenues		
<i>OECTA Provincial Office</i>		
Fee instalments	\$ 489,280	\$ 488,790
President's release	114,999	112,205
First Vice President's release	105,021	103,556
Chief negotiator's release	12,454	2,500
Annual general meeting	42,660	25,164
	764,413	732,215
<i>Local unit office</i>		
EI rebate	159,800	158,478
Insurance rebate	26,147	29,167
Interest income	7,101	9,734
Grievance settlement	141,667	-
Professional development	64,460	39,855
Other	368	9,716
	399,543	246,950
Total Revenues	\$ 1,163,956	\$ 979,165
Expenditures		
Administration	430,928	450,339
Elected Members' expenditures	378,620	358,785
Professional development	64,718	41,511
Collective bargaining/Political action	106,469	91,472
Communications & Public relations	51,635	27,178
	\$ 1,032,370	\$ 969,284
Excess of revenues over expenditures	\$ 131,586	\$ 9,881

Toronto Secondary
Statement of Revenue & Expenditures - Building Fund
 For the year ended June 30th

	2019	2018
	Actual	Actual
Revenues		
Transfer from General Fund	\$ 117,071	\$ 136,593
Capital gains from sale of building	699,919	-
Total Revenues	\$ 816,990	\$ 136,593
Expenditures		
951 Wilson Ave.		
Condominium fees	-	9,779
Realty taxes	-	11,206
Gas	-	1,669
Hydro	-	1,967
	-	24,622
18 Wynford Dr.		
Condominium fees	36,621	31,278
Realty taxes	18,652	15,504
Hydro	6,505	2,638
	61,777	49,419
Insurance	9,280	7,136
Cleaning, repairs and maintenance	6,169	6,921
Storage	1,234	1,208
Security	-	203
Interest on line of credit	31,962	47,083
Amortization	62,639	62,639
	\$ 111,284	\$ 125,191
	173,061	199,232
Excess of revenues over expenditures	\$ 643,929	\$ (62,639)

Toronto Secondary

Statement of changes in Net Assets

For the year ended June 30th

	General Fund		Building Fund		Total 2019	Total 2018
	Unrestricted	Capital	Unrestricted	Capital		
Balance, beginning	\$ 82,165	\$ 53,367	\$ -	\$ 186,962	\$ 322,494	\$ 375,252
Excess of revenues over expenditures	131,586	-	-	643,929	775,515	(52,758)
Purchase of capital assets	(10,542)	10,542	-	-	-	-
Amortization	12,312	(12,312)	-	-	-	-
Principal payments towards line of credit	(1,052,210)	-	-	1,052,210	-	-
Transfer between funds	992,124			(992,124)	-	-
Balance, ending	\$ 155,434	\$ 51,597	\$ -	\$ 890,977	\$ 1,098,008	\$ 322,494

Toronto Secondary
Statement of cash flow
 For the year ended June 30th

	2019	2018
Operating		
Excess of revenues over expenditures		
General Fund	\$ 131,586	\$ 9,881
Building Fund	643,929	(62,639)
Amortization		
General Fund	12,312	11,661
Building Fund	62,639	62,639
Change in non-cash working capital items		
Accounts Receivable	10,919	(3,395)
Accounts Payable and accrued liabilities	(15,995)	238,490
Prepaid expenses	3,355	25,839
Government remittances payable	-	4,476
Deferred contributions		
EI rebate	714	250
Unearned PD revenue	(64,460)	(39,855)
Cash from operating activities	784,998	247,347
Investing		
Book value disposal of 951 Wilson Ave.	94,666	-
Net disposal (purchase) of office equipment	(10,542)	(87,794)
Net (purchase) redemption of term investments	173,052	(9,596)
Cash from investing activities	257,176	(97,390)
Financing		
Increase (Decrease) in Promissory Note balance	(1,052,210)	(21,329)
Cash from investing activities	(1,052,210)	(21,329)
Net change in cash	(10,035)	128,628
Cash and cash equivalents, beginning balance	146,911	18,283
Cash and cash equivalents, ending balance	\$ 136,876	\$ 146,911

Toronto Secondary
Notes to the Financial Statements
For the year ended June 30th

1. Description of the Organization

The Ontario English Catholic Teachers' Association, Toronto Secondary Unit is a not-for-profit organization, which offers social and professional development opportunities, support and leadership for teachers in the English-speaking schools of Catholic District School Boards in Ontario.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments readily convertible to cash.

Revenue Recognition

The Unit follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recognized as revenue when received or receivable, if the amount is measurable and collection is reasonably assured.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Accounts receivable are accrued based on actual deposits received after fiscal year end. In the absence of a deposit remittance at the time of preparation of statement, historic amounts will be used to estimate the accrual if and only if receipt is reasonably assured.

Accounts payable are accrued based on actual invoices received after fiscal year end. Estimates based on historic charges are made in the absence of an actual invoice.

Fund accounting

For the fiscal year 2017/18, the Unit elected to utilize Fund Accounting to clearly segregate its major areas of operation on a go-forward basis. The financial statement figures of the prior year has been reformatted to conform to current presentation standards. No changes have been made to the total assets, liabilities, and net assets.

The **General Fund** tracks the unit's operating activities pertaining to its role as a Local Bargaining Unit including but not limited to contract maintenance, collective bargaining, professional development, and political action.

The **Building Fund** tracks the unit's costs of upkeep and maintenance of the building which serves as its base of operations. Typical costs include but are not limited to utilities, condominium fees, property taxes, and interest on the building's line of credit.

**Toronto Secondary
 Notes to the Financial Statements**

For the year ended June 30th

Capital Assets

Capital assets are recorded at historical cost less accumulated amortization. Amortization is calculated based on the rates and methods prescribed below:

Condominium units	30 years	Straight-line
Computer equipment	5 years	Straight-line
Furniture and equipment	5 to 10 years	Straight-line

3. Accounts receivable

	<u>2019</u>	2018
OECTA Provincial	131,156	139,315
Interest receivable	2,427	5,188
	<u>133,583</u>	<u>144,503</u>

4. Interfund transfers

	<u>2019</u>	2018
Loan to the Building Fund from General Fund Reserves	-	80,000
Net book value of 951 Wilson Ave.	-	94,666
Total	<u>-</u>	<u>174,666</u>

5. Property, plant and equipment

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
Condominium - 18 Wynford Dr.	\$ 1,879,175	\$ 125,278	\$ 1,753,896	\$ 1,816,535
Computer equipment	66,647	54,987	11,660	13,078
Furniture and equipment	60,938	21,000	39,938	40,289
	<u>\$ 2,006,760</u>	<u>\$ 201,266</u>	<u>\$ 1,805,494</u>	<u>\$ 1,869,902</u>

6. Building held for sale

As of July 1st, 2017, The Unit's previous condominium at 951 Wilson Avenue meets all the conditions required to be classified as a building held for sale under ASPE Section 3475. Under such a classification, the building will no longer be amortized until it fails to meet one or more of the required conditions.

The Condominiums' Net Book Value (historic cost less accumulated amortization) as at June 30th, 2018 is \$94,666. Based on the latest appraisal conducted by the York Simcoe Appraisal Corporation dated April 5th, 2017, the fair market value of the Condominium is \$845,000.

7. Deferred contribution - EI rebate

In the 2018/19 fiscal year, the Unit received \$64,205 (2017/18 - \$63,491) of Employment Insurance rebates that relate to teachers' salaries from July to December 2019. This amount has been deferred on the Statement of Financial Position and will be recorded as revenue in the Unit's 2019/20 financial statements.

Toronto Secondary
Notes to the Financial Statements

For the year ended June 30th

8. Promissory Note Payable

The Unit has a promissory note payable to the Ontario English Catholic Teachers' Association, Provincial Office related to the purchase of its second condominium at 18 Wynford Drive. Provincial Office has sub-allocated a portion of its line of credit to the Unit and act as a guarantor on the credit facility. Under the terms of the note, the Unit is required to make minimum monthly payments of \$1,000 directly to the banking facility. Failure to comply with the terms of the loan will result in the amounts being deducted from the Unit's fee return until the line of credit has been fully repaid. The Unit can repay the line of credit at an accelerated rate at any time at its discretion.

The current interest rate on the line of credit is prime less 0.15%. The Unit's current monthly re-payments to the line of credit amounts to \$8,000/month.

9. Unearned Professional development revenues

In 2013, the Unit received \$633,280 from the Toronto Catholic District School Board pursuant to a professional development agreement with the Board. These funds are only to be used for self-directed professional development. A total of \$64,460 (2018 - \$39,855) was used for professional development programs in the current year resulting in the recognition of an offsetting amount in revenue.

Toronto Secondary
Schedules to the Financial Statements
 For the year ended June 30th

	2019 Actual	2018 Actual
Administration		
Annual general meeting	80,439	60,429
Audit, bookkeeping and bank charges	12,692	12,537
Office expenses	34,686	45,525
Courtesy	2,252	1,974
Office staff	111,552	116,921
Staff meetings	24,121	23,815
Telephone/Internet	10,073	9,773
Unit executive meetings	17,612	15,006
Unit general meetings	8,117	16,103
Building occupancy costs	117,071	136,593
Equipment amortization	12,312	11,661
	430,928	450,339
Elected members' expenditures		
President's salary and benefits	130,578	128,534
President's expenses	2,703	1,594
President's travel	3,228	2,808
First Vice-President's salary and benefits	115,360	113,543
First Vice-President's expenses	1,142	27
First Vice-President's travel	1,582	1,172
Second Vice-President's salary and benefits	112,720	100,368
Second Vice-President's expenses	1,042	1,070
Second Vice-President's travel	1,351	1,684
Non-release expenses	4,720	4,449
Non-release travel	4,195	3,535
	378,620	358,785
Professional development		
Local workshops and seminars	10,093	12,697
Individual assistance	14,193	13,570
PD Processor	2,571	1,225
Professional conference	37,861	14,019
	64,718	41,511
Collective bargaining/Political Action		
Local negotiation costs	1,645	(289)
Grievance	1,377	219
Health and safety	8,304	(1,003)
Unit committees	95,143	92,545
	106,469	91,472

Toronto Secondary
Schedules to the Financial Statements
For the year ended June 30th

	2019	2018
	Actual	Actual
Communications and public relations		
Newsletter	23,816	-
Awards and bursaries	4,608	3,818
Donations	1,835	2,085
Solidarity	9,249	8,800
Memberships	12,126	12,475
	51,635	27,178
