

# Leading through **Change**

ANNUAL REPORT 2019–2020



# PRESIDENT'S MESSAGE



Stacey Lepine RECE

“In the challenging times we faced this year, I am grateful for my Council colleagues’ and College staff’s continued support of the profession and unwavering dedication to protecting the public.”

We started off the 2019–20 fiscal year strong as we continued to work on the objectives set for our 2018–2022 strategic plan. Some of those achievements include publishing the *Practice Note on Ethical Decision-Making*, continued work on the Modernizing Membership initiative, as well as continued improvements to the functionality of *My College Account* and the public register.

In addition, we commissioned a review of Council’s governance structure by external consultant Deanna Williams. She reviewed the composition of Council and

its committees and provided Council with her recommendations to streamline and modernize the College’s governance structure. The newly developed Funding for Therapy and Counselling Committee was created and worked closely with government to develop regulations that will govern the program. The program is unique and tailored to the individual needs of children and their families.

Then, the global pandemic took hold of Ontario in March 2020. I’m pleased to report that the College of Early Childhood Educators (College) was quick to respond, moving to remote work and virtual meetings. We adapted many processes to reflect the challenging environment, making it possible for members facing significant financial hardship to defer renewals. All members were also offered the option to defer their Continuous Professional Learning (CPL) requirements, allowing them to focus on other important things, such

as adapting to new ways of practice and supporting their mental and physical health and the well-being of loved ones.

While still amidst the pandemic, another important issue came to light with tragic incidents of anti-Black racism. These events remind me of the important role we play as educators, and how critical it is to examine our beliefs and biases in order to cultivate inclusive and culturally responsive learning environments.

As we reflect on everything that’s happened this year, it’s clear that *leading through change* requires courage and adaptability. The College and members of the profession have set the bar for both in such uncertain and challenging times. I am proud to have served as Council President during this year and am equally proud to be an RECE.

# MINISTER'S MESSAGE



The Honourable Stephen Lecce, Minister of Education

“Our children are thriving in high-quality programs, where RECEs are at the core of their learning and healthy development.”

On behalf of the Government of Ontario, and the Ministry of Education, I want to thank you for your professional dedication to supporting the growth and well-being of Ontario children. Your hard work and commitment are especially significant in these unprecedented times.

Registered Early Childhood Educators (RECEs) are vital to ensuring a stable and exceptional child care and early years system. Our children are thriving in high-quality programs, where RECEs are at the core of their learning and healthy development.

Every day, your work provides parents with confidence that their children are safe and cared for by trained, capable professionals; and you play a critical role in the early development of our youngest learners.

The last year has been like no other, with significant challenges and unparalleled change. Throughout this, the early years and child care sector has been a pillar of strength

and has demonstrated what is possible with collaboration and commitment. In the wake of the COVID-19 outbreak, RECEs have met every challenge with professionalism.

With that in mind, the theme of this year's annual report – *Leading Through Change* – is a poignant reflection of the hard work and dedication on the part of RECEs all across the province.

It is our vision that Ontario's child care system continues to grow and improve, and that can only be achieved through collaboration and by supporting our early years educators.

I want to thank every RECE in Ontario for making such a difference in the lives of Ontario's children and for continuing to lead through change. Looking to the future, I am confident that our work together will continue to strengthen the early years and child care system, for families and for RECEs.

# REGISTRAR & CEO'S MESSAGE



**Beth Deazeley, LL.B.**

“Despite all the changes, the important things stayed the same: the courageous leadership of Council and dedication of staff; our commitment to support excellence in the profession as we regulate in the public interest; and the critical role of Registered Early Childhood Educators supporting children and families.”

This was certainly an unforgettable year. When we embarked on the second year of our three-year strategic plan in July 2019, we couldn't have imagined what lay ahead. However, College Council and staff, as well as RECEs across the province, adapted as quickly as possible to the situation. To allow us to focus on responding to the issues facing the membership during the pandemic, Council approved the extension of our three-year strategic plan for an additional year until 2022. We continue to work towards the achievement of our objectives under that plan as we respond to new realities.

This year's annual report theme is *Leading through Change*. It speaks to our ability to

come together during a pandemic that has affected every aspect of our work. It also speaks to the ways that RECEs quickly adapted their practice approaches and found creative and innovative ways to support and care for children while also ensuring their health, safety and well-being. During this challenging time, our members demonstrated their leadership as essential to our learning communities.

I'm proud of the things we accomplished despite the unusual year. We developed resources to support members in practice in key areas such as ethical decision-making, pedagogical practice and professional supervision. We increased efficiency and technological capability and undertook consultation and policy development work to support a membership structure reflective of the profession.

I'm even more proud of things we accomplished *because* of the unusual year. In March, we maintained continuity of all activities while

making rapid changes to the way we work. We adapted our practices to recognize the situation members were facing by making changes to renewals processes and professional learning requirements. We developed a COVID-19 hub on our website so educators, employers and members of the public had an easily accessible list of resources and information to help them navigate challenges affecting the profession. We also shared the concerns that we were hearing from members with government on a regular basis.

I want to thank each of our Council members and staff for their incredible work this year. I also want to commend Ontario's early childhood educators, who through all the changes, challenges and uncertainties, demonstrated their leadership and professionalism in the ways that they continue to support, educate and care for children and families.

# ABOUT US



## Values



Transparency  
and Accountability



Integrity and  
Fairness



Professionalism  
and Leadership



Inclusion and  
Respect

[Learn more](#) about the College's commitment to protecting the public interest.

## Mandate

The College, with more than 57,000 registered members, regulates and governs the profession of early childhood education in the public interest.

## Vision

Leadership in early learning and care by trusted, accountable professionals.

## Mission

Serve and protect the public interest by regulating the profession of early childhood education.

# COLLEGE COUNCIL 2019–20



Back row: Ann Robichaud-Gagné, CeCil Kim RECE, Cyndy Jefferson RECE, Gillian Jackson RECE and Pamela Carkner.

Middle row: Lori Huston RECE, Teresa Sulowski RECE, Kim Cole RECE, Tricia Doyle RECE and Mary Broga.

Front row: Julie Cyr RECE, Karen Damley CA, CPA, Kristine Parsons RECE, Stacey Lepine RECE, Laura Urso RECE and Barney Savage.

Not pictured: Garry Bates, Geneviève Breton, Cindy Harrison, Paul Jackson RECE, Karen Kennedy RECE and Kim White RECE.

The role of Council is to set the strategic objectives that support the College's mandate, vision and mission. Together, Council oversees policy development and makes decisions related to entry to practice, professional standards and ethics, as well as professional misconduct. Serving on Council gives members an exceptional opportunity to take on a leadership role in their profession while also developing skills in governance. There are 24 members on the College's Council, ten of whom are appointed by the Ontario government and the remaining 14 elected by members.

Any member in good standing can run for Council — find out more about the [role of Council](#).  
For information about how a member can be elected, check out the [Council Elections webpage](#).

# COUNCIL COMMITTEES



## Executive

Oversees strategic planning, policy development and College governance. Responsible for the performance of Council and committees and best practices in governance.

**Key Focus:** Monitors achievements under the strategic plan, ensures effective functioning of Council and encourages member engagement in governance.

“The cornerstone of professional self-regulation is governance. Effective governance requires competent, engaged Council members and effective reporting and communication.”

– **Stacey Lepine RECE**,  
Council President

## Election

Oversees the election of Council members. Determines election procedures, reviews nominations and decides eligibility of candidates and ensures College elections are fair and transparent.

**Key Focus:** Oversight of elections in Districts 1, 2 and 6.

## Finance & Audit

Supports Council in fulfilling its duty to oversee the College’s financial position, practices, controls and reporting, as well as financial risk management.

**Key Focus:** Ensures the integrity of financial reporting and the sustainability of the College’s operations.

## Standards of Practice

Advises Council on policy direction in relation to the *Code of Ethics and Standards of Practice* and the Continuous Professional Learning (CPL) program. Oversees the development of member resources.

**Key Focus:** Develops resources related to the Code and Standards, oversees the CPL program and explores concepts of leadership and professionalism.

“Our objective is to support practice excellence, which means that members understand and apply the Code and Standards and value ongoing learning throughout their careers.”

– **Julie Cyr RECE**,  
Council member and  
Committee Chair

# COUNCIL COMMITTEES ... Continued

## Registration

Advises Council on strategic policy direction related to the requirements for registration, assessment of qualifications and approval of education programs.

**Key Focus:** Continued development of policy options for a modernized membership structure and standards for registration that reflect the evolving realities of the sector.

“We advise Council on registration standards so individuals entering the profession are qualified and adequately prepared for safe, competent, professional and ethical practice to meet the needs of children and families in Ontario.”

– **Dick Winters RECE**,  
Vice-chair, non-Council  
Committee member

## Registration Appeals

Reviews registration applications at the request of applicants if the Registrar has proposed to refuse to issue a Certificate of Registration or to impose terms, conditions or limitations on a Certificate.

**Key Focus:** Ensures that individual appeal decisions are objective, fair and transparent.

## Complaints

Considers complaints regarding the conduct or actions of members of the College and determines the appropriate action to be taken, which may include referral to the Discipline or Fitness to Practise Committee.

**Key Focus:** Efficient decision-making in relation to complaints and mandatory employer reports.

“To be effective, regulatory action must be timely, proportionate and effective at addressing member conduct.”

– **Mary Broga**,  
Council member

## Discipline

Conducts hearings in relation to allegations of professional misconduct or incompetence on the part of members of the College which have been referred by the Complaints Committee.

**Key Focus:** Discipline proceedings and decisions that are fair, timely and transparent.

## Fitness to Practise

Conducts hearings in relation to allegations of incapacity which have been referred by the Complaints Committee, in which a member may be unable to safely practise the profession due to a physical or mental condition.

**Key Focus:** Makes decisions which protect the public interest while respecting members' privacy and supporting a safe return to practice.

## Funding for Therapy and Counselling

Oversees administration of the funding for therapy and counselling program created to provide support for children in relation to allegations of sexual abuse by members of the College. Makes determinations on eligibility for the program.

**Key Focus:** Maintains a child- and family-centred program to support the unique needs of children.

# EXECUTIVE LEADERSHIP TEAM

The executive leadership and their respective teams work together to ensure the College sets and meets high standards for practice readiness, continuing competence and regulation of the profession.

## **Marc Spector, LL.B.** Director, Professional Regulation

“Our collective work in tracking trends and engaging with our partners in government, employers and the educational community has enabled us to continue to make process improvements. These efforts resulted in our ability to close 34 per cent more files compared with the previous fiscal year.”

## **Melanie Dixon RECE** Director, Professional Practice

“Professional Practice, with insights from members, continued to develop resources to strengthen RECEs’ knowledge and skills, and support collaborative reflective practice and dialogue related to the Code and Standards. Our team also successfully pivoted to update the CPL requirements and defer the audit when the pandemic took hold. I’m proud to be part of a team committed to supporting RECEs with their professional practice and learning.”

## **Cynthia Abel RECE** Deputy Registrar and Director, Registration

“The Registration team launched the online application process and continued to support members with the shift to online renewal. When the pandemic emerged, I’m especially proud of how my team creatively and efficiently adapted processes to a remote operational model. This innovative approach allows applicants, members, ECE post-secondary program coordinators and other stakeholders to continue to engage with the College with minimal disruption.”

## **Russ Harrington, CPA** Chief Operating Officer

“I’m incredibly proud of my team’s efforts this year. From ensuring continuity of College operations during the pandemic, to nimbly and quickly responding to stakeholder enquiries and concerns, Corporate Services pursued our ongoing strategic plan objectives while also adapting to new situations.”

## **Beth Deazeley, LL.B.** Registrar and CEO

“Our accomplishments in the 2019–20 fiscal year were made possible through the collaboration and continuous drive of College staff to adapt to change and make improvements to processes across the organization.”



From left: Marc Spector LL.B., Melanie Dixon RECE, Cynthia Abel RECE, Russ Harrington CPA and Beth Deazeley LL.B.

# CODE AND STANDARDS



The [\*Code of Ethics and Standards of Practice\*](#) sets out the professional knowledge, skills, values and expectations applicable to all Registered Early Childhood Educators (RECEs) regardless of their role or practice setting.

The Code and Standards, and related regulations, serve as the basis upon which RECEs are held accountable for their practice and to the public.

# STRATEGIC PRIORITIES

The College based its activities for 2019–20 on the strategic priorities approved by Council for 2018–2022. These objectives support the College’s mandate to protect the public and support the professionalism of RECEs through entry to practice, continuing competence resources and professional regulation.

## Entry to Practice

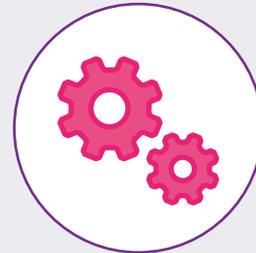
- Process efficiency
- Practice readiness
- Membership structure

## Professional Regulation

- Process efficiency
- Fitness to practise
- Tracking of trends

## Communications & Stakeholder Relations

- Government / stakeholder relations strategy
- Increased / enhanced member engagement



## Continuing Competence

- Resource development
- CPL compliance
- Leadership and professionalism

## Operations

- IT infrastructure
- Financial sustainability
- Human resources

## Governance

- Enhanced reporting and communications
- Optimized governance structure and practices

# STRATEGIC ACHIEVEMENTS

Council, committees and staff worked together to meet the College's 2019–20 objectives in the second year of the strategic plan.



## Entry to Practice

- The College launched the online self-service application process. Shifting operations to accommodate electronic documents significantly reduced the College's reliance on paper.
- Council approved policy directions related to registration requirements that apply to all applicants (e.g., to seek regulation amendments that would eliminate the eligibility-to-work-in-Canada requirement).
- The Registration Committee continued to discuss and consider policy issues related to modernizing the College's membership structure. To inform this work, the Committee conducted roundtable sessions at several locations in Ontario.
- Council revised the *Language Fluency Policy* to recognize Canadian post-secondary programs that include a specialization in Indigenous studies taught in a language indigenous to Canada.



## Continuing Competence

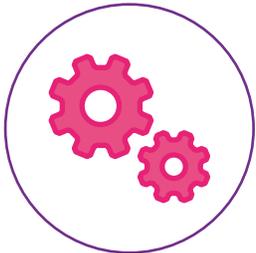
- Three additional Continuous Professional Learning (CPL) portfolio examples were developed to support members' understanding of the completion requirements.
- Ninety-eight per cent of members have confirmed compliance with the requirements for the CPL program.
- The audit of members' CPL portfolios was initiated to ensure program compliance. The audit was subsequently postponed in April 2020 due to the COVID-19 pandemic.
- Council approved two Practice Guidelines, one on *Pedagogical Practice* and the other on *Diversity and Culture*, providing RECEs with recommended practices, current research and opportunities for reflection and learning.
- The Standards of Practice Committee informed the development of two Practice Notes to help guide members in their everyday practice: *Ethical Decision-Making* and *Professional Supervision of Supervisees*.

# STRATEGIC ACHIEVEMENTS ... Continued



## Professional Regulation

- The College increased efficiencies in the handling of matters; the average time to address and close a matter was reduced by 10 per cent. At the same time, we enhanced our ability to expedite high-risk cases by effectively triaging concerns.
- The College increased the number of files closed by 34 per cent over last year; this year, the College disposed of 507 files.
- The College's Tribunals Secretariat assumed responsibility for the oversight of hearings, ensuring process efficiency, effectiveness and fairness.
- The Complaints Committee capacity was enhanced to address increasing volume while ensuring timely decisions.
- The College successfully transitioned to conducting verbal cautions and discipline hearings virtually.



## Operations and Communications & Stakeholder Relations

- The College continued its multi-year IT transformation to support our work to protect the public interest and enhance *My College Account*, our member portal, and the public register.
- In March 2020, the College transitioned to remote work but continued all operations during the unfolding pandemic. This smooth transition was made possible as most renewals and applications are now submitted electronically through *My College Account*.
- The College undertook and completed an external review of our communications, which included collecting input from parents, government stakeholders, employers and members.
- The website had more than 1.6 million views in 2019–20. [College Talk](#), the blog relevant to members' practice, received more than 147,500 views.
- Members served as contributors to stories shared on the blog about adapting to the pandemic in the *Conversations in a time of COVID-19* series, created to support members during the pandemic.



# STRATEGIC ACHIEVEMENTS ... Continued



## Governance

- Stacey Lepine RECE was elected Council President.
- Fully electronic elections were held in Districts 1, 2 and 6. Newly elected Council members took office in June 2020 for a term of three years.
- Council undertook an independent review of the College's governance structure and practices.
- The College's Funding for Therapy and Counselling program came into effect in January 2020. This program provides support for children in relation to allegations of sexual abuse by a member of the College.
- Council and the Committees successfully transitioned to fully electronic meetings.

“Effective governance is at the heart of successful professional regulation. It provides strategic planning, risk management and oversight of professional practice.”

– **Kristine Parsons RECE**,  
Council Vice-President

# PROTECTING THE PUBLIC



**411**

Concerns received  
from July 1, 2019 to  
June 30, 2020

## Most Common Concerns Received

**26%**

### Unprofessionalism

#### Standard IV

Professionalism and  
Leadership

**25%**

### Insufficient Supervision

#### Standard III

Safety, Health and  
Well-being

**23%**

### Inappropriate Behaviour Guidance

#### Standard I

Caring and Responsive  
Relationships

#### Standard III

Safety, Health and Well-being

#### Standard IV

Professionalism and  
Leadership

# PROTECTING THE PUBLIC ... Continued

The Complaints, Fitness to Practise and Discipline Committees investigate complaints, conduct public hearings and make decisions on matters of professional misconduct, incompetence or incapacity. Some committees may impose terms, conditions or limitations, suspend or revoke a member's Certificate of Registration, when appropriate or necessary.

## Complaints Committee

94

Found no further action was required\*

89

Provided verbal cautions\*

26

Referred for discipline hearings

6

Found to be frivolous / vexatious matters requiring no investigation / action

3

Fitness to Practise hearings

## Fitness to Practise Committee

1

Matter heard

## Discipline Committee

31

Matters heard

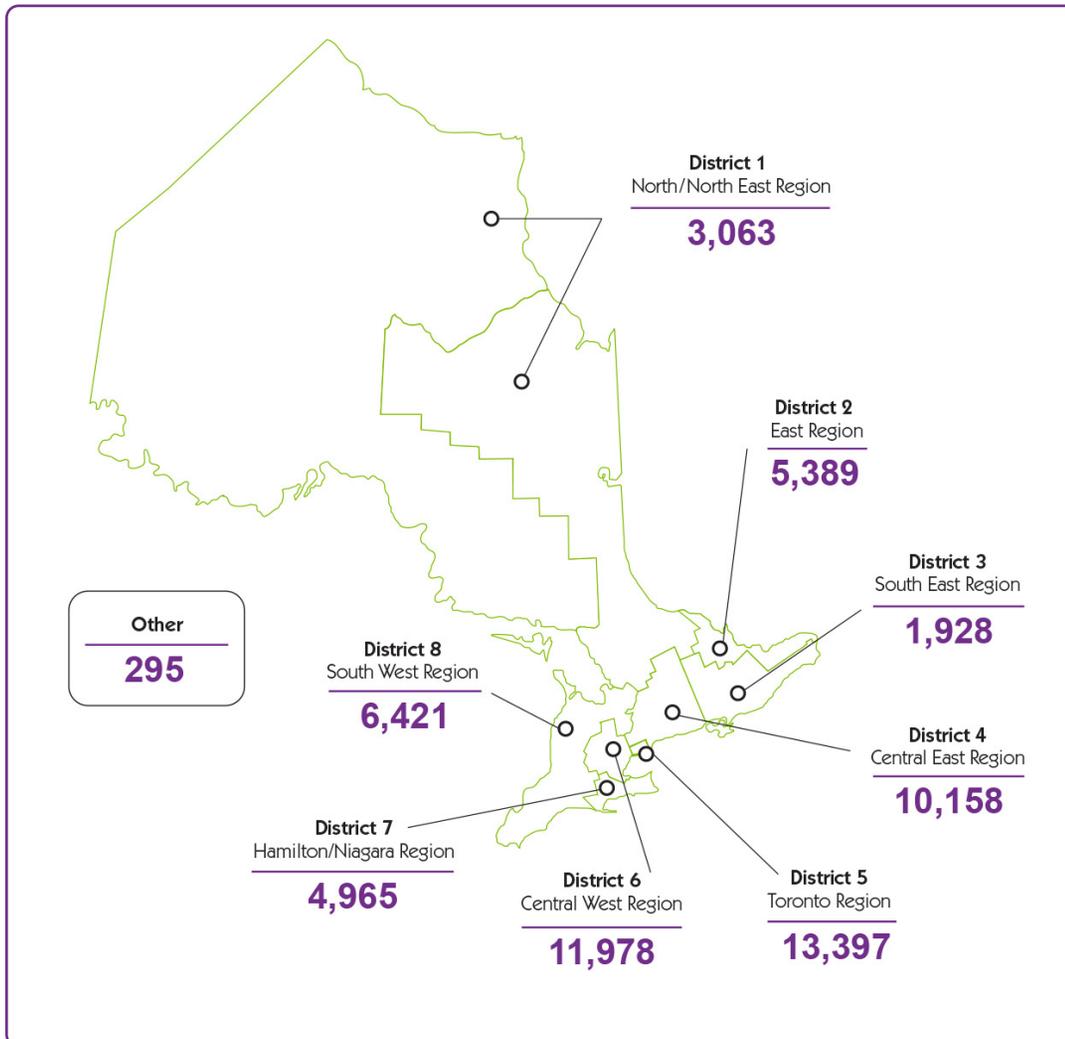


Want to see if a member is in good standing with the College? Visit the [public register](#) which received more than 97,000 visitors in 2019–20.

\* These decisions may warrant the provision of guidance to members that includes supportive resources and recommendations to ensure they practise in accordance with the Code and Standards.

# MEMBERSHIP DATA

The College regulates the profession of more than 57,000 RECEs across Ontario. Here is a snapshot of our registrants:



## 57,594

Members in good standing on June 30, 2020.

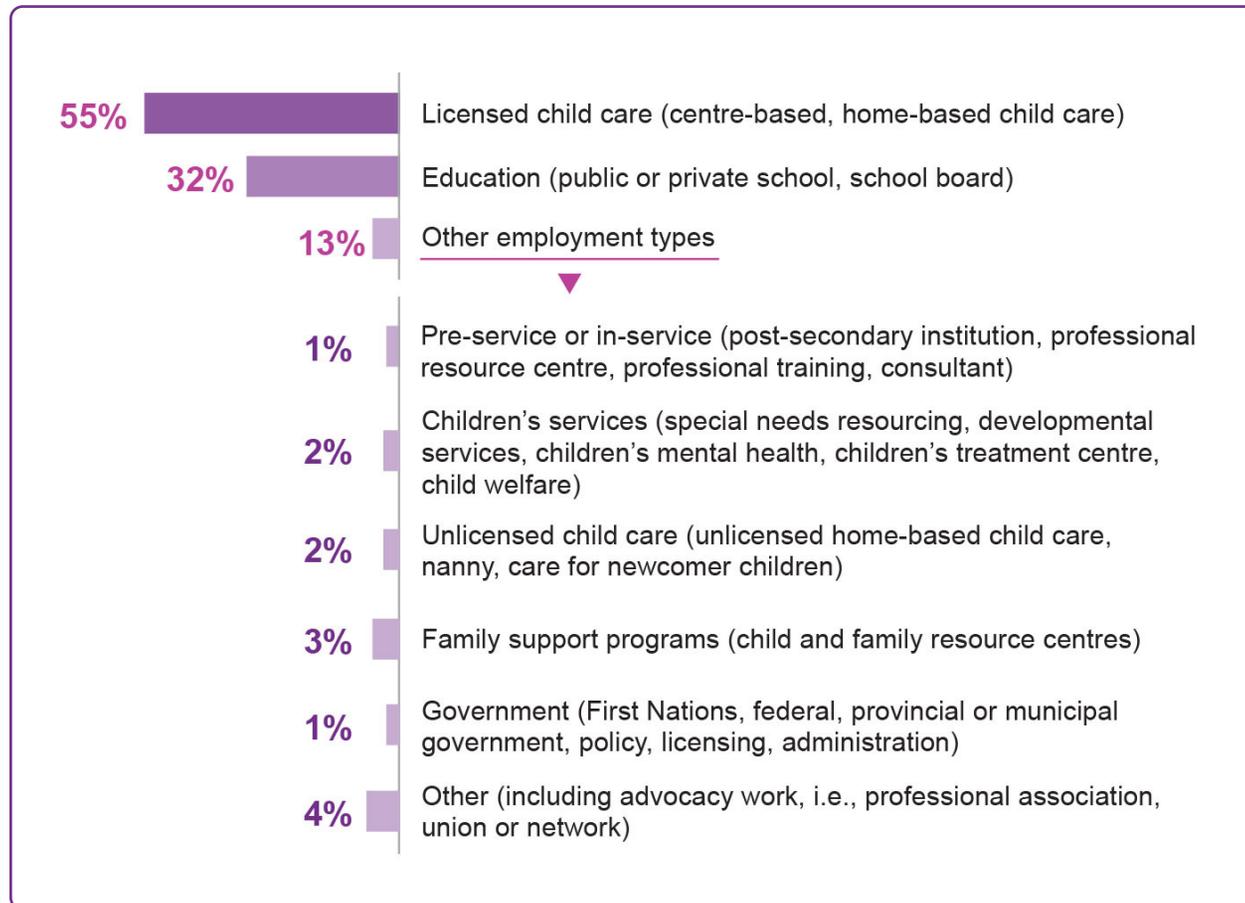


## 5,599

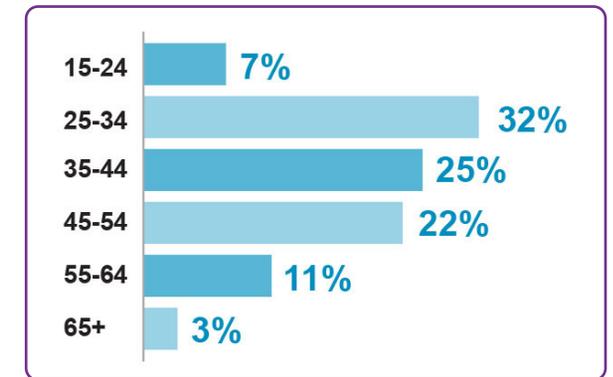
Number of Certificates of Registration issued between July 1, 2019 and June 30, 2020.

# MEMBERSHIP DATA ... Continued

## By Employment Type



## By Age Group



# 6,585

Number of applications received for 2019–20



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If you require an accessible format and/or communications support, please contact us at 1 888 961-8558 / [communications@college-ece.ca](mailto:communications@college-ece.ca).

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# APPENDIX: AUDITED FINANCIAL STATEMENTS

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**COLLEGE OF EARLY CHILDHOOD EDUCATORS**

FINANCIAL STATEMENTS

JUNE 30, 2020

## **Independent Auditor's Report**

To the Council of the College of Early Childhood Educators

### **Opinion**

We have audited the financial statements of the College of Early Childhood Educators (the "College"), which comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the College to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the College.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the College.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the College to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario  
November 5, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Statement of Financial Position

June 30	2020 \$	2019 \$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents (note 3)	9,793,842	9,458,866
Prepaid expenses	161,835	140,644
	<b>9,955,677</b>	9,599,510
Capital assets (note 4)	420,695	464,610
	<b>10,376,372</b>	10,064,120
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	764,149	1,164,026
Deferred revenue	4,818,191	4,718,668
	<b>5,582,340</b>	5,882,694
<b>NET ASSETS</b>		
Invested in capital assets	420,695	464,610
Internally restricted (note 8)	750,000	750,000
Unrestricted	3,623,337	2,966,816
	<b>4,794,032</b>	4,181,426
	<b>10,376,372</b>	10,064,120

The accompanying notes are an integral part of these financial statements

Approved on behalf of Council:

President

 RECE

Vice-President

 EPEI

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Statement of Operations

Year ended June 30	2020 \$	2019 \$
Revenues		
Registration and application fees	9,538,178	8,862,597
Investment income	154,255	134,315
Other	41,641	28,832
	<u>9,734,074</u>	<u>9,025,744</u>
Expenses		
Personnel	6,014,832	5,651,200
Professional regulation		
Professional regulation expenditures	598,782	616,924
Change in provision for professional regulation (note 7)	(101,727)	(887,542)
	<u>497,055</u>	<u>(270,618)</u>
Operations	493,015	599,084
Rent	790,746	737,579
Information technology	707,557	898,910
Council and committees	131,788	195,195
Professional fees	66,943	83,390
Communication and stakeholder relations	61,173	86,387
Consulting	231,206	103,365
Amortization	127,153	156,475
	<u>9,121,468</u>	<u>8,240,967</u>
Excess of revenues over expenses for year	<u>612,606</u>	<u>784,777</u>

The accompanying notes are an integral part of these financial statements

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Statement of Changes in Net Assets

Year ended June 30

	<b>Invested in capital assets \$</b>	<b>Internally restricted \$</b>	<b>Unrestricted \$</b>	<b>Total 2020 \$</b>
Balance, beginning of year	464,610	750,000	2,966,816	<b>4,181,426</b>
Excess of revenues over expenses for year	-	-	612,606	<b>612,606</b>
Purchase of capital assets	83,238	-	(83,238)	-
Amortization of capital assets	(127,153)	-	127,153	-
Balance, end of year	<b>420,695</b>	<b>750,000</b>	<b>3,623,337</b>	<b>4,794,032</b>

	<b>Invested in capital assets \$</b>	<b>Internally restricted \$</b>	<b>Unrestricted \$</b>	<b>Total 2019 \$</b>
Balance, beginning of year	595,614	750,000	2,051,035	3,396,649
Excess of revenues over expenses for year	-	-	784,777	784,777
Purchase of capital assets	25,471	-	(25,471)	-
Amortization of capital assets	(156,475)	-	156,475	-
Balance, end of year	<b>464,610</b>	<b>750,000</b>	<b>2,966,816</b>	<b>4,181,426</b>

The accompanying notes are an integral part of these financial statements

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Statement of Cash Flows

Year ended June 30	2020 \$	2019 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	612,606	784,777
Adjustment to determine net cash provided by (used in) operating activities		
Amortization of capital assets	127,153	156,475
	739,759	941,252
Change in non-cash working capital items		
Decrease in accounts receivable	-	145,163
Increase in prepaid expenses	(21,191)	(50,924)
Decrease in accounts payable and accrued liabilities	(399,877)	(812,092)
Increase in deferred revenue	99,523	1,123,442
	418,214	1,346,841
Cash flows from investing activities		
Purchase of capital assets	(83,238)	(25,471)
Net change in cash and cash equivalents	334,976	1,321,370
Cash and cash equivalents, beginning of year	9,458,866	8,137,496
Cash and cash equivalents, end of year	9,793,842	9,458,866

The accompanying notes are an integral part of these financial statements

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

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## Notes to Financial Statements

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June 30, 2020

### **Nature and description of the organization**

The College of Early Childhood Educators (the "College") was incorporated as a non-share capital corporation under the Early Childhood Educators Act, 2007 ("ECEA").

As the regulator and governing body of the early childhood educator profession in Ontario, the College's major function is to administer the ECEA, in the public interest.

The College is a not-for-profit organization, as described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to income taxes.

### **1. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### **(a) Revenue recognition**

##### **Registration fees**

The registration year of each member commences with their initial registration date. Registration fees are recognized as revenue in the fiscal year to which they relate. Registration fees received in advance of the fiscal year to which they relate are recorded as deferred revenue.

##### **Application fees**

Application fees are recognized as revenue upon the completion of application assessments. Application fees received in advance of the completion of application assessments are recorded as deferred revenue.

##### **Investment income**

Investment income comprises interest from cash and cash equivalents and is recognized on an accrual basis.

#### **(b) Cash and cash equivalents**

Cash and cash equivalents consist of cash and term deposits which are readily convertible into cash, are not subject to significant risk of changes in value and have a maturity date of twelve months or less from the date of acquisition.

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Notes to Financial Statements (continued)

June 30, 2020

### 1. Significant accounting policies (continued)

#### (c) Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided for, upon commencement of the utilization of the assets, using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	10 years
Computer equipment and software	4-5 years

Amortization of leasehold improvements is provided for on a straight-line basis over the remaining term of the lease.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of the capital asset is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

#### (d) Financial instruments

##### Measurement of financial assets and liabilities

The College initially measures its financial assets and financial liabilities at fair value adjusted by the amount of transaction costs directly attributable to the instrument.

The College subsequently measures all of its financial assets and financial liabilities at amortized cost.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash and cash equivalents.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

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## Notes to Financial Statements (continued)

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June 30, 2020

### 1. Significant accounting policies (continued)

#### (d) Financial instruments (continued)

##### Impairment

At the end of each year, the College assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the College, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the College determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the College identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

#### (e) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Actual results may differ from these estimates, the impact of which would be recognized in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Notes to Financial Statements (continued)

June 30, 2020

### 2. Financial instrument risk management

The College is exposed to various risks through its financial instruments. The following analysis provides a measure of the College's risk exposure and concentrations.

The financial instruments of the College and the nature of the risks to which those instruments may be subject, are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
Currency			Interest rate	Other price	
Cash and cash equivalents	X			X	
Accounts payable and accrued liabilities		X			

#### Credit risk

The College is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the College could incur a financial loss.

The maximum exposure of the College to credit risk is as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	9,793,842	9,458,866

The College reduces its exposure to the credit risk of cash and cash equivalents by maintaining balances with a Schedule 1 Canadian financial institution.

#### Liquidity risk

Liquidity risk is the risk that the College will not be able to meet a demand for cash or fund its obligations as they come due.

The liquidity of the College is monitored by management to ensure sufficient cash is available to meet liabilities as they become due and is supplemented, if necessary, by the demand operating facility as detailed in note 5.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Notes to Financial Statements (continued)

June 30, 2020

### 2. Financial instrument risk management (continued)

#### Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates.

The College is not exposed to currency risk.

#### Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate due to changes in market interest rates.

#### Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The College is not exposed to other price risk.

#### Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the College from that of the prior year.

### 3. Cash and cash equivalents

	2020	2019
	\$	\$
Cash	588,749	2,053,995
Term deposits	9,205,093	7,404,871
	<u>9,793,842</u>	<u>9,458,866</u>

The term deposits have effective interest rates ranging from 0.51% to 2.00% (2019 - 2.00% to 2.25%), with maturity dates ranging from July 2020 to June 2021 (2019 - July 2019 to May 2020).

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Notes to Financial Statements (continued)

June 30, 2020

### 4. Capital assets

	<b>Cost</b>	<b>Accumulated</b>	<b>2020</b>
	<b>\$</b>	<b>Amortization</b>	<b>Net</b>
		<b>\$</b>	<b>\$</b>
Furniture and fixtures	430,816	346,555	84,261
Computer equipment and software	547,585	457,618	89,967
Leasehold improvements	1,130,812	884,345	246,467
	<u>2,109,213</u>	<u>1,688,518</u>	<u>420,695</u>

	<b>Cost</b>	<b>Accumulated</b>	<b>2019</b>
	<b>\$</b>	<b>Amortization</b>	<b>Net</b>
		<b>\$</b>	<b>\$</b>
Furniture and fixtures	424,975	327,118	97,857
Computer equipment and software	485,040	417,570	67,470
Leasehold improvements	1,118,330	819,047	299,283
	<u>2,028,345</u>	<u>1,563,735</u>	<u>464,610</u>

### 5. Demand operating facility

The College has available a revolving demand operating facility up to a maximum of \$1,000,000. The facility bears interest at prime plus 0.50% and is secured by a general security agreement and an assignment of fire and business insurance.

The facility was not drawn upon at either June 30, 2020 or June 30, 2019.

### 6. Accounts payable and accrued liabilities

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables and accrued liabilities	449,366	657,923
Accrued liabilities - professional regulation	305,228	445,424
Government remittances	9,555	60,679
	<u>764,149</u>	<u>1,164,026</u>

# COLLEGE OF EARLY CHILDHOOD EDUCATORS

## Notes to Financial Statements (continued)

June 30, 2020

### 7. Professional regulation

The provision is management's estimate of costs for cases referred to the Discipline Committee prior to the fiscal year-end or anticipated to be referred, the hearing of which will take place after the fiscal year-end. The provision includes estimates for external legal fees, independent legal counsel fees and other hearing costs.

The reduction of the provision was the result of revised estimates based upon the College's actual experience of fewer hearing days to resolve cases and decreasing the use of external legal counsel through the increased use of in-house legal counsel. The cost of increased use of in-house legal counsel is reflected in the Personnel line.

### 8. Net assets internally restricted

The College makes best efforts to anticipate the costs associated with professional regulation matters based on past experience and current caseload. However, in the event that the College incurs costs beyond the normal scope of such matters, the Council of the College has internally restricted net assets to address these matters.

The internal restriction is subject to the direction of the Council upon the recommendation of the Finance and Audit Committee.

### 9. Commitment

The College is committed to lease its office premises until February 2024. The future annual lease payments, including an estimate of premises common area expenses, are as follows:

	<u>\$</u>
2021	777,443
2022	794,137
2023	794,137
2024	<u>529,425</u>
	<u>2,895,142</u>

### 10. Impact of COVID-19

During March 2020, the global pandemic of the virus known as COVID-19 led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations and physical distancing and closing non-essential businesses. Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to estimate the financial effect, if any, on the College. No adjustments have been made in the financial statements as a result of these events.

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