

2020–21

Annual Report



**Like no
year before**

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Chair's Message

Our 2020-2021 fiscal year started off like no other; in the summer of 2020, Registered Early Childhood Educators (RECEs) had begun returning to work during a province-wide lockdown as those in child care and other services came to be considered essential. The College supported this transition by developing *Qualified, Capable and Ready*, a supportive series of resources for members. These resources included a Q&A with Council's very own Lindsey Dann RECE, a video interview with Dr. Jean Clinton, child psychiatrist and children's advocate, and top tips for managing anxiety from two mental health professionals — a wide variety of topics, all meant for those returning RECEs who faced a lot of uncertainty in those earlier days of the pandemic.

Throughout the year, one of the ways the College fulfilled its mandate to protect the public interest was by supporting the invaluable work of RECEs. We did this by sharing information and resources while also communicating with the government to share issues and concerns, including the importance of timely access to vaccines for RECEs.

Everyone at the College, including my fellow Council members, pivoted and adapted to the evolving situation and kept moving forward with many of our strategic plan initiatives. One of those initiatives was the review of the College's governance structure. We thoughtfully considered the recommendations received and made a number of changes which included streamlining the committee structure and updating terminology. The terms *President* and *Vice President* were replaced with *Chair* and *Vice Chair* which better capture the major responsibility of the role, which is leading the governance work of Council.

This year, the College released its *Statement of Commitment to Anti-Racism*, making the public commitment to embed anti-racism into all we do. We also published the *Practice Guideline on Diversity and Culture* which provides RECEs with guidance on co-creating inclusive and culturally responsive environments.

In reflecting on this past year, I would like to take a moment to congratulate last year's Council Chair (formerly titled 'President'), Stacey Lepine RECE. Stacey served her second year in the role in 2020-2021 as



Kristine Parsons RECE

“Throughout the year, one of the ways the College fulfilled its mandate to protect the public interest was by supporting the invaluable work of RECEs.”

she completed her final term on Council. We are incredibly appreciative of Stacey's leadership in such difficult times and wish her all the best in her future endeavours.

It goes without saying that this was a year like no other. Looking back, I'm proud of how well we continued to collaborate in this virtual world. Despite the many difficulties COVID-19 posed, Council remained committed to regularly coming together virtually to further the work on the initiatives under our strategic priorities.

Registrar and CEO's Message

The COVID-19 pandemic highlighted the critical importance of high-quality early learning and care to Ontarian families. Registered Early Childhood Educators have been on the frontlines, adapting their practice approaches and finding creative and innovative ways to support and care for children, while also ensuring their health, safety and well-being. During this challenging time, members demonstrated their leadership as essential to our learning communities.

The College also had to adapt and I'm proud to say that the dedication of our Council and College staff enabled us to rise to the occasion. In the early days of the pandemic, the College decided to extend what was originally a three-year strategic plan for another year, which allowed us to devote additional attention and resources during 2020-2021 to critical and timely issues. Some of the activities I am most proud of this year include creating resources to support members during one of the most challenging events of our time and developing our *Statement of Commitment to Anti-Racism*.

We continued with initiatives launched in the early days of the pandemic to support RECEs, including making it possible for those members facing significant financial hardship to defer payment of their annual

membership fee. All RECEs 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. It is clear that there was still a great deal of learning and professional growth occurring.

In this third year of our strategic plan, we continued to make strides towards our original objectives. We streamlined the College's governance structure based on recommendations from our governance review, continued identifying efficiencies to process complaints in a more timely fashion and obtained feedback on the *Code of Ethics and Standards of Practice* and practice resources.

We also used the pandemic as a catalyst to streamline processes – for example, receiving electronic rather than paper transcripts for applicants. In addition, we engaged regularly with government regarding issues and challenges facing the sector as well as ongoing enhancements to our ability to protect the public interest. The pandemic posed many challenges, both to College and Council operations and to the profession, but



Beth Deazeley, LL.B

“The pandemic posed many challenges, but it also encouraged us to think differently about how we work, communicate and collaborate.”

it also presented opportunities. It encouraged us to think differently about how we work, communicate and collaborate with others to protect the public interest.

As you will read in this report, we achieved a great deal in a unique time. I am grateful for the resilience, adaptability and dedication of Council and College staff. I am also very impressed by the professionalism, compassion and leadership of Ontario's Registered Early Childhood Educators who continually adapted throughout the year to the evolving pandemic and continued to create supportive, welcoming and inclusive environments for Ontario's children.

Minister's Message

On behalf of Premier Ford, the Government of Ontario, and the Ministry of Education, I sincerely thank the College of Early Childhood Educators for its outstanding work in supporting the profession of early childhood education in caring for children and providing them with a strong foundation for future success.

Each and every day, more than 58,000 Registered Early Childhood Educators (RECEs) play a pivotal role in delivering stable and exceptional child care and early years programs to families in every corner of Ontario. In doing so, you make a difference for working families and their children, which is why our government applauds your actions and strongly supports Ontario's RECEs.

The COVID-19 pandemic has been a difficult time for all Ontarians, and there is no question that 2021 was a year *like no year before*. I'm proud to say that the early years and child care sector met this challenge with kindness, compassion and professionalism. RECEs and child care and early years workers are among the many unsung heroes of the pandemic.

This includes the pivotal role the sector played during the pandemic when they provided emergency child care to other frontline workers and as EarlyON Child and Family Centres pivoted to provide virtual programming for Ontario's families. There is no greater responsibility than caring for our most vulnerable members of society.

While the Ontario government continues to focus on making child care more accessible and affordable for parents, we strongly reaffirm our commitment to the long-term sustainability of Ontario's child care and early years sector.

I wish to thank and acknowledge every single RECE in Ontario. Thanks to your dedication and incredible efforts through a challenging period in our province's history, children are receiving quality care and parents have been able to return to the workforce and restart Ontario's economy. By working together, I am confident that our government and the College will continue to strengthen the early years and child care system, for parents, for RECEs, and of course for Ontario's most precious resource: our children.



**The Honourable Stephen Lecce,
Minister of Education**

“Registered Early Childhood Educators play a pivotal role in delivering stable and exceptional child care and early years programs to families in every corner of Ontario.”

About Us

Mandate

The College, with more than 58,800 registered members, regulates and governs the profession of early childhood education in the public interest.

Mission

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

Vision

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

Code and Standards

The College's ***Code of Ethics and Standards of Practice*** (Code and Standards) sets out the professional knowledge, skills, values and expectations applicable to all Registered Early Childhood Educators 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.



Meet the **Leadership Team** and **College Council**

Executive Leadership Team



Beth Deazeley, LL.B — Registrar and CEO

“2020-2021 was like no year before in that it was entirely impacted by the COVID-19 pandemic. Despite the challenges we faced, our achievements were the result of the Council and College staff’s ability to adapt while remaining resilient amidst the ongoing crisis.”



Cynthia Abel RECE — Deputy Registrar and Director, Registration

“I’m incredibly proud of my team who continued to make process improvements in this remote operational model. In addition to our usual workload, we undertook vital research to learn more about the effects of the pandemic on ECE students. This research can be used across the College to inform future resources and processes to support our future members who were impacted.”



Kimbalin Kelly — Chief Operating Officer

“I joined the College in early 2021 and am so impressed with the team’s ability to make continuous adaptations and improvements that support College operations across the board. One of our most notable achievements was working across the College to develop the *Qualified, Capable and Ready* series to support members’ return to on-site work.”

Executive Leadership Team cont'd



Pauline Walters — Director, Professional Regulation

"We remained committed to protecting families and children throughout the pandemic. As a result of this dedication and commitment, my team made incredible strides to deliver process efficiencies that resulted in processing and closing more cases than we have before."



Melanie Dixon RECE — Director, Professional Practice

"I'm pleased to share that my team continued to offer the profession useful resources, such as our guideline that supports RECEs in building relationships and communicating across differences to co-create inclusive learning environments. We also completed our first Continuous Professional Learning audit review and provided those members with feedback to help them with their future learning efforts."

2020–2021 College Council

Chair

Stacey Lepine RECE

Vice-Chair

Julie Cyr RECE

Elected Members – RECEs

Kim Cole
Lindsey Dann
Tricia Doyle
Yalin Gorica (Dec 2020 – June 2021)
Gillian Jackson
Paul Jackson
Cyndy Jefferson (June – Dec 2020)

Karen Kennedy
CeCil Kim
Kristine Parsons
Teresa Sulowski
Laura Urso
Kim White

Appointed Members

Gary Bates	Ulana Pahuta
Gen Breton	Ann Robichaud-Gagné
Mary Broga	Barney Savage
Pamela Carkner	
Adesua Ezeokafor	
Cindy Harrison	
Shernett Martin	

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.

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

Key Focus: Elections oversight in annually rotating membership Districts.

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.

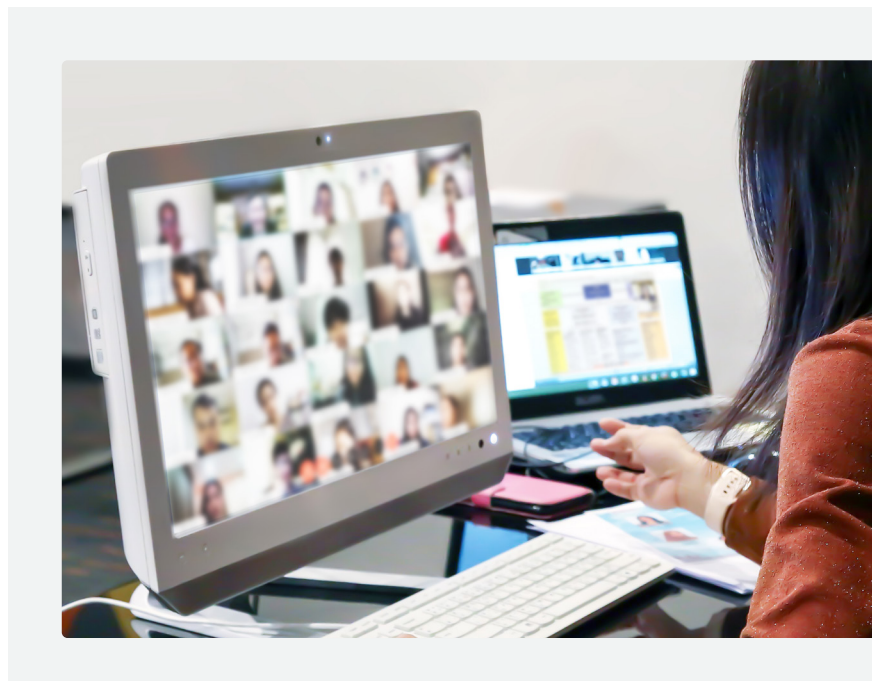
Key Focus: Ensures the integrity of financial reporting and the sustainability of the College's operations.

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

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

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

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



Council Committees

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: Makes decisions in relation to complaints and mandatory employer reports.

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.

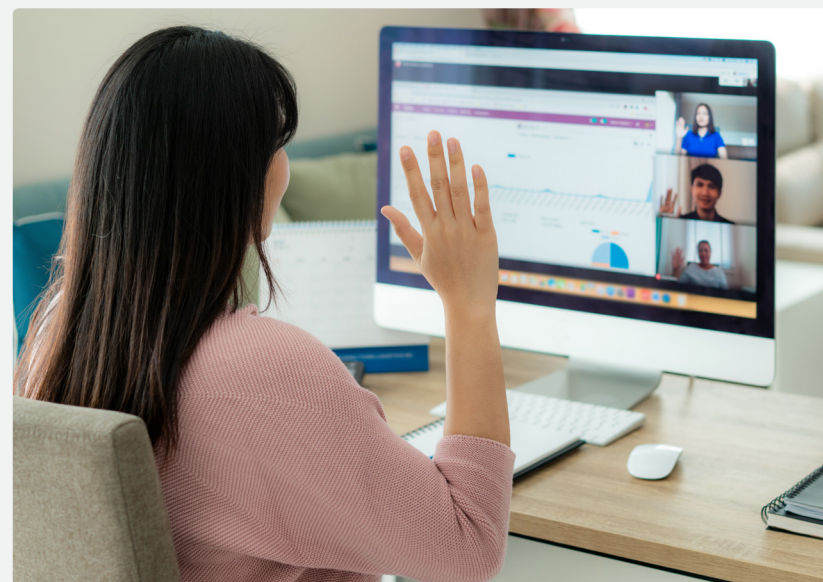
Key Focus: Makes decisions which protect the public interest while respecting members' privacy and supporting a safe return to practice.

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.

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.

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



Strategic Priorities and Achievements

Entry to Practice

Process efficiency

- **Implemented Paperless Supporting Documents**
Post-secondary institutions can now upload transcripts through a secure online document-sharing platform. This has reduced our reliance on paper transcripts while increasing efficiency and security.
- **Collected critical information about the impact of the pandemic on post-secondary ECE education programs' practicum components**
Results from the in-depth survey will inform future communications, resources and support for new graduates who were unable to complete their full practicum requirements due to COVID-19.
- **Approved revisions to the Approval of Education Programs Policy**
Council approved revisions to strengthen the policy which sets out the framework used by the College to assess post-secondary education programs to determine whether they meet the educational requirement for registration.

Practice readiness

- **Shared data with key stakeholders on the licensed child care workforce**
The data provided stakeholders with useful insights into the education and employment of RECEs working in licensed child care.
- **Approved Policy Statement regarding Practicum**
Council approved the policy statement as recommended by the Registration Committee. The policy statement affirms the importance of practicum in preparing for safe, competent and professional practice.
- **Continued discussions on a renewed membership structure and registration requirements**
The Registration Committee continued to identify the components for modernizing the College's membership structure and registration requirements to better reflect the needs of the sector.

Membership structure

Continuing Competence

Resource development

- **Conducted consultations on practice resources**

We collected feedback from members and other key stakeholders to gain insights on the *Code of Ethics and Standards of Practice* and other resources. These perspectives will enable us to enhance future practice resources and guidance developed for RECEs.

- **Approved four new practice resources for RECEs**

Council approved two practice guidelines and two practice notes. The guidelines will support members in learning more about effective communication and collaboration and child development. The first practice note will focus on providing guidance in addressing beliefs and bias while the other will supplement the child development guideline.

- **Obtained feedback on the Continuous Professional Learning (CPL) portfolio process**

Members who completed their first full CPL cycle were invited to provide feedback on the components. We also collected data focused on non-compliance in the first portfolio cycle. This input will help improve our processes and refresh our approach to communication, outreach and resources.

CPL compliance

- **Published the *Practice Guideline on Diversity and Culture***

This resource supports RECEs in examining their own beliefs and biases and in co-creating inclusive and culturally responsive learning environments.

- **Completed the first audit of CPL portfolios and provided feedback to members**

While this initiative was launched in March 2020, it was postponed temporarily due to the pandemic. In January 2021, randomly selected members who had completed their first two-year CPL cycle had their portfolios reviewed. Of those audited, 95% received compliance confirmation and were also provided feedback to support them in their future professional learning cycles.

- **Continued offering option to defer CPL program requirement due to COVID-19**

In April 2020, members were given a one-time option to defer their CPL program requirements as a result of the impacts of the pandemic and 40% of members opted to defer over the past fiscal year. The deferral option was extended from August 2021 to March 2022.

Leadership and professionalism

Operations and Communications & Stakeholder Relations

IT infrastructure

Financial sustainability

Increased / enhanced member engagement

- **Continued IT work on enhancing functionality in *My College Account***

We continued working on improvements to members' user experience in their online account. Once complete, members will more easily and readily know their current step in the CPL program and can view past declarations.

- **Held the first fully virtual Annual Meeting of Members**

While virtual attendance was always offered, this year we took the twelfth annual event entirely online in January 2020. It included informative presentations from some of our Council members on the previous year's activities.

- **Produced the Qualified, Capable and Ready Series**

We developed the *Qualified, Capable and Ready* series to support members in their return to on-site work. The series featured a variety of resources and included a video interview with Dr. Jean Clinton, renowned child psychiatrist, which quickly became one of the most popular resources we have ever produced.

- **Developed and adhered to a careful budget**

Our 2020-2021 budget was developed to be very cautious as the pandemic continued. We intentionally reduced and deferred project spending to ensure we met core obligations to the public and members.

- **Introduced a dedicated diversity, equity and inclusion space on the blog, CollegeTalk**

The series was introduced in March 2021 to enable RECEs to contribute to the diversity, equity and inclusion conversation through sharing their experiences, perspectives and reflections.

- **Communicated regularly with government on pandemic-related issues**

We shared six public letters to the government and engaged regularly on issues affecting the profession. Communications included sharing concerns, requesting guidance for the sector in the early days of the pandemic and making a strong case for early vaccine access for RECEs.

Professional Regulation

Process efficiency

- **Made continuous process improvements**

Throughout the fiscal year, we continued to make process efficiency improvements that resulted in disposing of 35% more cases compared to last year.

Fitness to practise

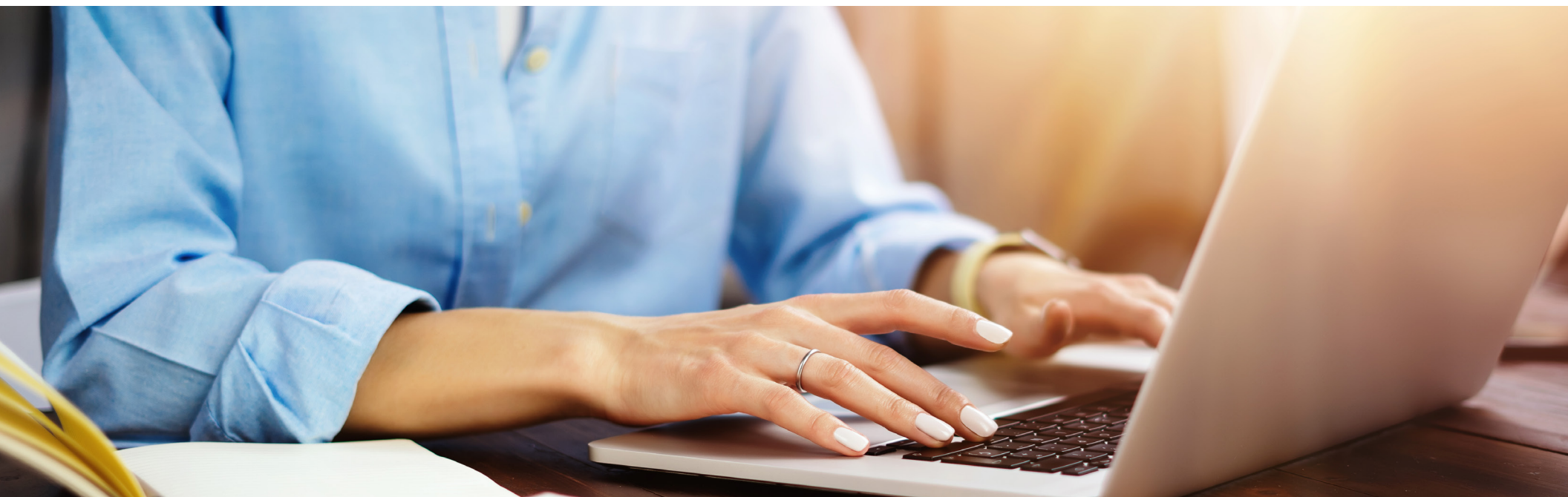
- **Operationalized authority to order assessments**

In cases brought to the Fitness of Practice Committee, we can now obtain expert medical advice. This further enables us to ensure the public is protected and supports members' safe return to practice.

Tracking of trends

- **Improved average completion time of discipline hearings**

By streamlining our processes and creating efficiencies, we were able to resolve 60% of cases in less than six months from the referral date.



Governance

Enhanced reporting and communications

- **Adapted to govern in a virtual environment**

Due to the pandemic, Council and Committees completed a full year of remote meetings and governance work. Although meetings were held online, we ensured that transparency was upheld by making Council meeting recordings and minutes available online.



Optimized governance structure and practices

- **Completed the governance review**

Council considered the recommendations from the review of the College's governance structure and made a number of changes to streamline governance and enhance emphasis on public protection, including:

- two committees were dissolved at the end of the year to simplify the College's governance structure;
- the terminology of President and Vice President changed to Chair and Vice Chair to better reflect the nature of leadership provided; and
- the eligibility requirements to run for Council were modified to prevent conflicts of interest and ensure candidates understand the role and responsibilities. These changes will be implemented in the 2022 election.

Protecting the Public, Strengthening the Profession

In 2020-2021, the College welcomed and implemented changes that ultimately strengthen the profession and support our primary mandate of protecting the public interest.

Changes to the Professional Misconduct Regulation

In October 2020, the College welcomed changes to the regulation which specifies that making remarks or engaging in behaviours that expose any person or class of persons to hatred on the basis of a prohibited ground of discrimination under Part I of the Human Rights Code constitutes professional misconduct.

Reinforcing our ability to protect children

Other welcome changes were to the Early Childhood Educators Act to strengthen our ability to protect children from sexual abuse. The changes to the Act include a requirement for the College to develop and administer a sexual abuse prevention program.

These changes recognize that RECEs are trustworthy and knowledgeable leaders who build relationships that put them in the unique position to help prevent child sexual abuse. While many elements of this program were already in place, a new educational component is in development and will be rolled out in 2022.

Committing to anti-racism

In November 2020, the College made a public commitment to embed anti-racism into all of our work.

The *Statement of Commitment to Anti-Racism* is consistent with our values. It acknowledges that change is necessary to eliminate existing racial inequities and that education plays a critical role in driving this change.



Statement of Commitment to Anti-Racism

The College of Early Childhood Educators (College) recognizes the historical and ongoing harm caused by racism, both systemic and overt, against Black people, Indigenous people and People of Colour in Canada and around the globe. We firmly believe that all people and all racial groups deserve equity in all areas, including social, economic and political. Change is necessary to eliminate existing racial inequities, and education plays a critical role in driving that change.

We are committed to embedding anti-racism into all of our work. We acknowledge this ongoing effort is necessary to fulfil our responsibility of regulating a diverse profession in the interest of all children and families in Ontario.

This is consistent with our core values:

- **Integrity:** firm adherence to moral and ethical principles; making the right decisions.
- **Fairness:** processes give equal opportunity to all; decisions meet predetermined, defensible criteria.
- **Inclusion:** creating an environment of belonging in which diversity and differences are welcomed and valued.
- **Respect:** we recognize the dignity and value of our work, our members and the public we serve.

The ways that we can do this work include:

The College as an organization

- Engaging in candid, critical and courageous conversations;
- Encouraging and supporting learning and growth by staff and Council members;
- Increasing the diversity of leadership among both staff and Council; and,
- Ensuring that our policies, practices and organizational culture support equity, diversity and inclusion.

The College as the self-regulatory body of the profession

- Identifying and removing barriers to entry to the profession that disproportionately affect certain groups such as Black people, Indigenous people and People of Colour;
- Continuing to support culturally responsive and reflective anti-racist pedagogy;
- Mandating education and training for all members on anti-racism;
- Developing and sharing resources for members to support children's learning about racism, privilege and social justice;
- Seeking out and elevating diverse voices of leadership within the profession; and,
- Reviewing regulatory processes and practices to identify and address bias and systemic racism.

The College as a stakeholder in the early learning and child care sector

- Seeking out, inviting and building trusting relationships with individuals, groups and organizations representing Black people, Indigenous people and People of Colour in the early learning and child care sector to enhance community engagement;
- Using our reach to amplify the voices of others;
- Contributing to the identification and understanding of race-based and accessibility challenges and trends in the sector in an environment of transparency; and
- Collaborating with stakeholders, contributing to solutions and advocating for change to address systemic racism in the sector.

Public Protection

Our mandate is to serve and protect the public. As part of this mandate, we address concerns of professional misconduct, incompetence and incapacity of members of the College through a formal complaints and discipline process.

Want to see if a member is in good standing with the College? Visit the [public register](#).



The most common concerns received include



37%

Inappropriate behaviour guidance — typically occurs when RECEs faced with challenging behaviours fail to use strategies to support positive interactions with children and, instead, forcefully redirect the child's behaviour.

4%

Other — related to a variety of different actions or behaviours that do not fall in the other categories, such as failing to maintain ratios, failing to keep required records, mishandling of finances or engaging in fraud, and failing to maintain professional standards.

31%

Unprofessionalism — most common concerns are around failures to maintain confidentiality or report incidents, practising while suspended or engaging in inappropriate interactions with children, parents and/or colleagues.

3%

COVID-19 protocol violation — a new category resulting from the pandemic that involves intentional and/or recurring breaches of health and safety protocols and/or policies that are in place to help prevent the spread of COVID-19 in the practice environment.

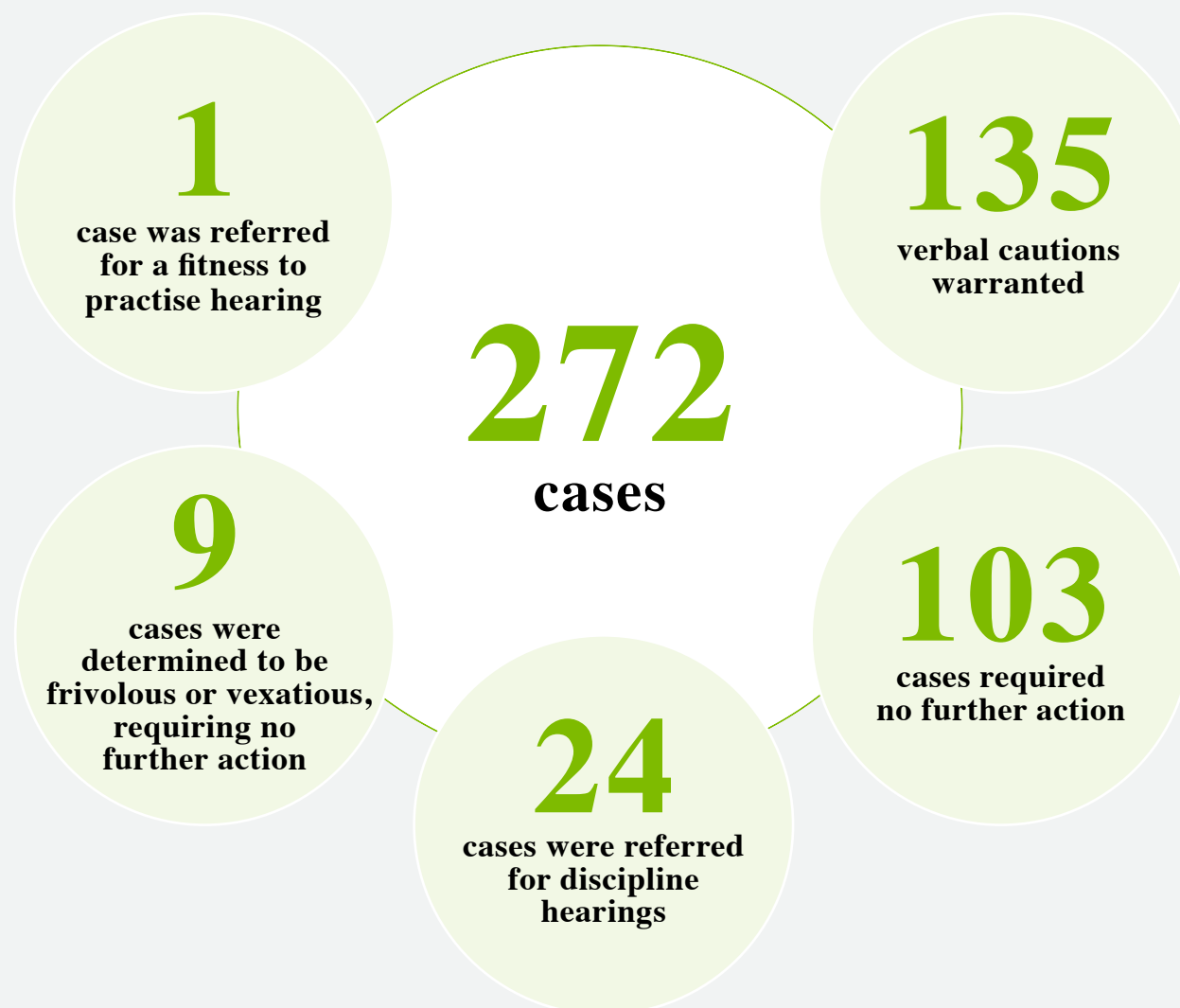
23%

Inappropriate supervision — most often related to transitions from one area or activity to another where there is either a breakdown in communication between colleagues or a lack of communication that results in children left without supervision.

2%

Incapacity concerns — instances where RECEs may be suffering from a physical or mental condition, including addiction issues, that affects their ability to practice safely.

The Complaints Committee completed

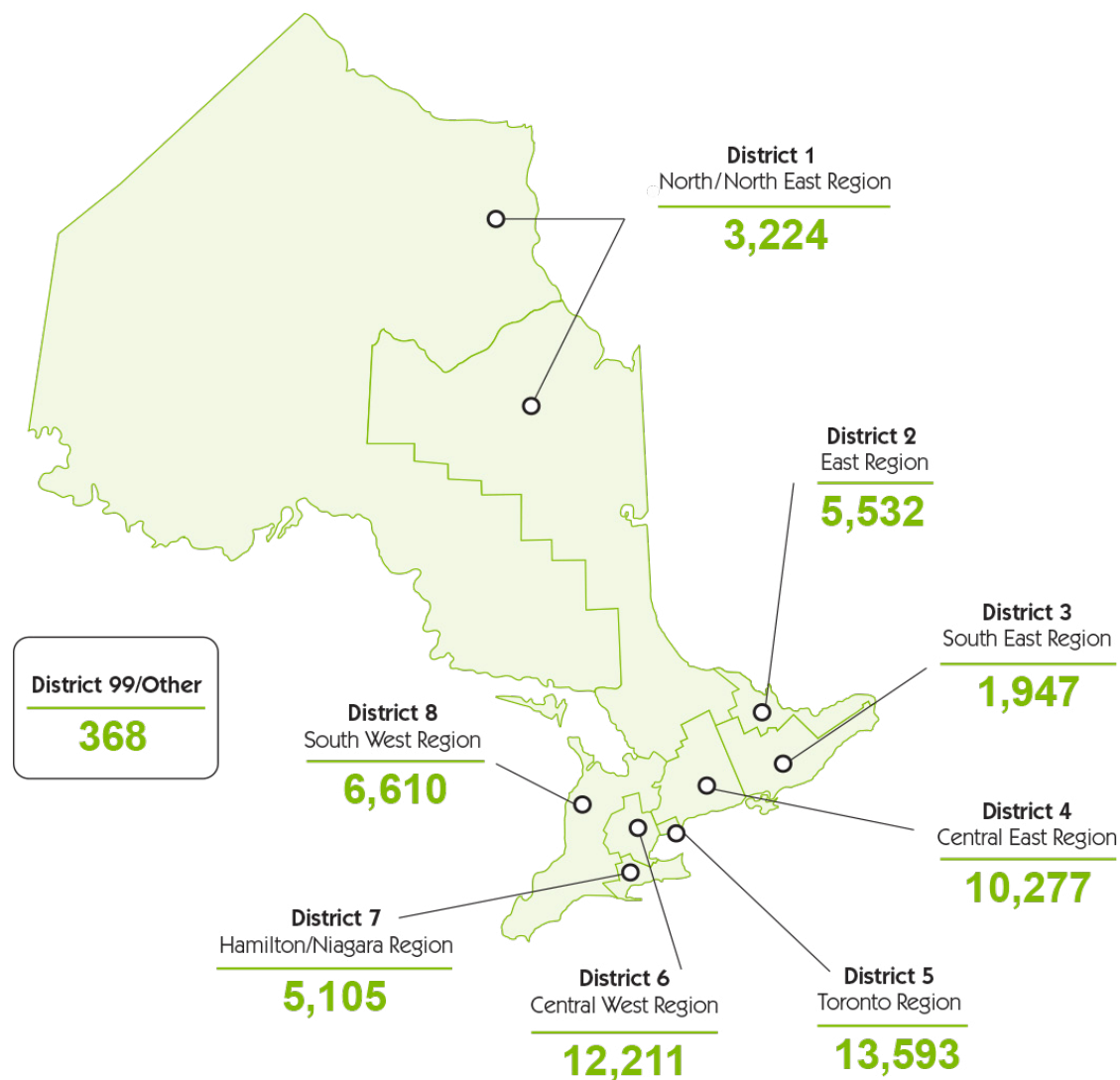


Membership at a Glance

RECEs in Ontario

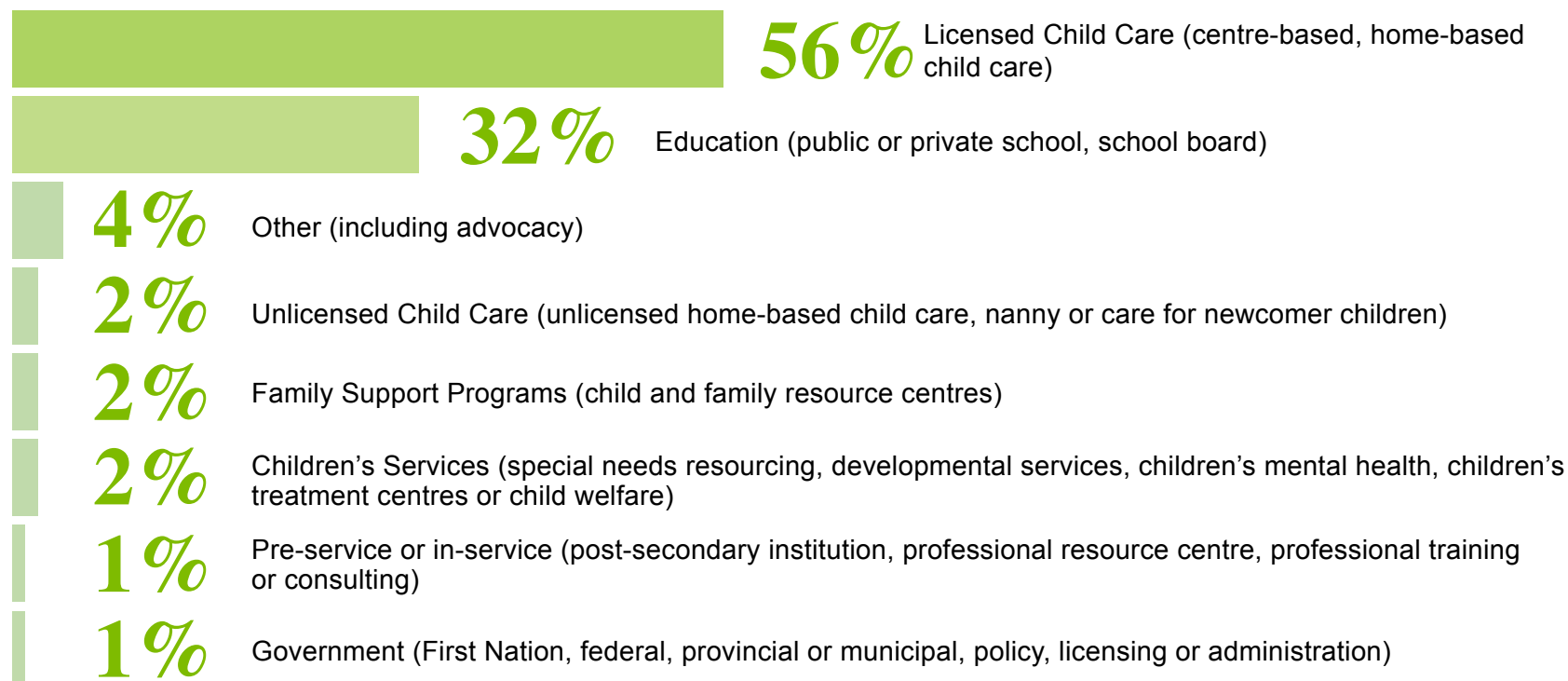
At the end of the 2020-2021 year, the profession was officially 58,867 members strong.

Over the course of the year 4,827 applications were received and 4,335 new certificates were issued.

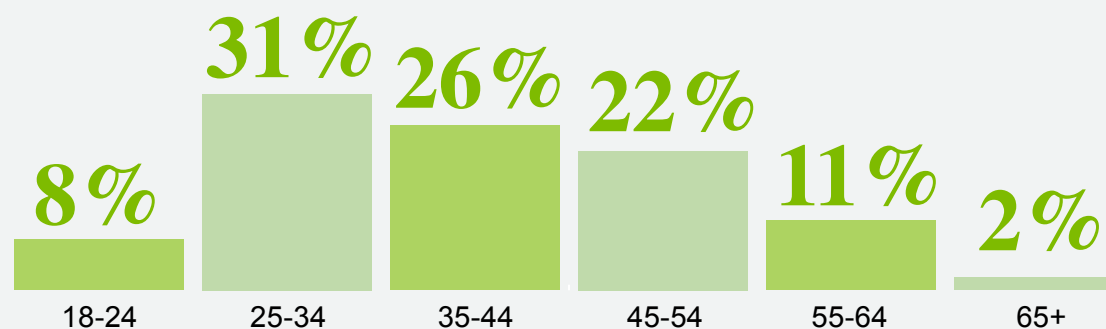


Membership data

Employment



Members by age



Like No Year Before

It's been a challenging year due to the COVID-19 pandemic — truly a year like none before it. Registered Early Childhood Educators have had to pivot, adjust and work in fast-changing environments. There was a lot of uncertainty, especially in the early days of COVID-19, and so we'd like to say thank you to the profession.

Thank you for your dedication and commitment to the families and children you support. Thank you for your professionalism and leadership in times of uncertainty. And thank you for all you've done to keep children, families, colleagues and yourselves safe.



We dedicate this page to remembering the resilient and professional Registered Early Childhood Educators who lost their lives because of COVID-19.

*A life that touches others
goes on forever.*

– Unknown



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If you require an accessible format or communications support, please contact us at 1 888 961-8558 / communications@college-ece.ca.

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Appendix

2020-2021 Audited Financial Statements

COLLEGE OF EARLY CHILDHOOD EDUCATORS

FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, 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, 2021, 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, other than the financial statements and our auditor's report thereon, in the annual report.

Our opinion on the financial statements does not cover the other information and we 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 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.

The annual report is expected to be made available to us after the date of our auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact 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.

Independent Auditor's Report (continued)

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.

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 4, 2021

Chartered Professional Accountants
Licensed Public Accountants

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Statement of Financial Position

June 30	2021 \$	2020 \$
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	1,880,976	1,358,365
Current portion of investments (note 4)	9,116,156	8,435,477
Government assistance receivable (note 10)	35,207	-
Prepaid expenses	197,370	161,835
	11,229,709	9,955,677
Investments (note 4)	500,863	-
Capital assets (note 5)	344,038	420,695
	844,901	420,695
	12,074,610	10,376,372
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	881,578	764,149
Deferred revenue	5,091,271	4,818,191
	5,972,849	5,582,340
NET ASSETS		
Invested in capital assets	344,038	420,695
Internally restricted		
Professional regulation (note 8)	750,000	750,000
IT systems and program development (note 9)	700,000	-
Unrestricted	4,307,723	3,623,337
	6,101,761	4,794,032
	12,074,610	10,376,372

The accompanying notes are an integral part of these financial statements

Approved on behalf of Council:

Chair

 RECE

Vice Chair

 RECE

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Statement of Operations

Year ended June 30	2021 \$	2020 \$
Revenues		
Registration and application fees	9,582,678	9,538,178
Investment income	49,994	154,255
Other	1,911	16,641
	9,634,583	9,709,074
Expenses		
Personnel	5,725,278	6,014,832
Professional regulation	512,868	497,055
Operations	396,735	493,015
Rent	767,118	790,746
Information technology	780,860	707,557
Council and committees	71,533	131,788
Professional fees	30,865	66,943
Communication and stakeholder relations	15,951	61,173
Consulting	16,777	231,206
Amortization	115,532	127,153
	8,433,517	9,121,468
Excess of revenues over expenses before the following	1,201,066	587,606
Government assistance (note 10)	106,663	25,000
Excess of revenues over expenses for year	1,307,729	612,606

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

	Invested in capital assets \$	Internally restricted for professional regulation \$	Internally restricted for IT systems and program development \$	Unrestricted \$	Total 2021 \$
Balance, beginning of year	420,695	750,000	-	3,623,337	4,794,032
Excess of revenues over expenses for year	-	-	-	1,307,729	1,307,729
Purchase of capital assets	38,875	-	-	(38,875)	-
Amortization of capital assets	(115,532)	-	-	115,532	-
Inter-fund transfer (note 9)	-	-	700,000	(700,000)	-
Balance, end of year	344,038	750,000	700,000	4,307,723	6,101,761

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

The accompanying notes are an integral part of these financial statements

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Statement of Cash Flows

Year ended June 30	2021 \$	2020 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	1,307,729	612,606
Adjustments to determine net cash provided by (used in) operating activities		
Amortization	115,532	127,153
Interest capitalized on investments	(20,520)	(19,194)
Receipt of prior year interest capitalized on investments	19,194	-
	1,421,935	720,565
Change in non-cash working capital items		
Increase in government assistance receivable	(35,207)	-
Increase in prepaid expenses	(35,535)	(21,191)
Increase (decrease) in accounts payable and accrued liabilities	117,429	(399,877)
Increase in deferred revenue	273,080	99,523
	1,741,702	399,020
Cash flows from investing activities		
Purchase of investments	(9,596,499)	(8,416,283)
Proceeds on disposal of investments	8,416,283	-
Purchase of capital assets	(38,875)	(83,238)
	(1,219,091)	(8,499,521)
Net change in cash and cash equivalents	522,611	(8,100,501)
Cash and cash equivalents, beginning of year	1,358,365	9,458,866
Cash and cash equivalents, end of year	1,880,976	1,358,365

The accompanying notes are an integral part of these financial statements

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements

June 30, 2021

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 investments 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 three months or less from the date of acquisition.

(c) Investments

Investments consist of term deposits with maturity dates greater than three months from date of acquisition. Investments that mature within twelve months from the year-end date are classified as current.

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements (continued)

June 30, 2021

1. Significant accounting policies (continued)

(d) Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, with the exception of expenditures on internally generated intangible assets during the development phase, which 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.

(e) 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 and investments.

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

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements (continued)

June 30, 2021

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.

(f) **Government assistance**

Government assistance is recognized in income when the related expenses are incurred or when there is reasonable assurance that the College has complied or will comply with all of the conditions of the assistance, and collection is reasonably assured.

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements (continued)

June 30, 2021

1. Significant accounting policies (continued)

(g) 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.

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	
Investments	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:

	2021 \$	2020 \$
Cash and cash equivalents	1,880,976	1,358,365
Investments	9,617,019	8,435,477
	<u>11,497,995</u>	<u>9,793,842</u>

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

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements (continued)

June 30, 2021

2. Financial instrument risk management (continued)

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 6.

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.

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.

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements (continued)

June 30, 2021

3. Cash and cash equivalents

	2021 \$	2020 \$
Cash	1,127,646	588,749
Term deposits	753,330	769,616
	<u>1,880,976</u>	<u>1,358,365</u>

The term deposits have effective interest rates ranging from 0.28% to 0.31% (2020 - 0.51% to 2.00%), with maturity dates ranging from July 2021 to Aug 2021 (2020 - July 2020 to August 2020).

4. Investments

	2021 \$	2020 \$
Term deposits	9,617,019	8,435,477
Less current portion	9,116,156	8,435,477
	<u>500,863</u>	<u>-</u>

The term deposits have effective interest rates ranging from 0.31% to 0.54% (2020 - 0.51% to 2.00%), with maturity dates ranging from July 2021 to Nov 2022 (2020 - July 2020 to June 2021).

5. Capital assets

	Cost \$	Accumulated Amortization \$	2021 Net \$
Furniture and fixtures	430,816	363,385	67,431
Computer equipment and software	586,460	491,022	95,438
Leasehold improvements	1,130,812	949,643	181,169
	<u>2,148,088</u>	<u>1,804,050</u>	<u>344,038</u>
	Cost \$	Accumulated Amortization \$	2020 Net \$
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>

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements (continued)

June 30, 2021

6. 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, 2021 or June 30, 2020.

7. Accounts payable and accrued liabilities

	2021 \$	2020 \$
Trade payables and accrued liabilities	575,605	449,366
Accrued liabilities - professional regulation	305,973	305,228
Government remittances	-	9,555
	<u>881,578</u>	<u>764,149</u>

8. Net assets internally restricted for professional regulation

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. Net assets internally restricted for IT systems and program development

The Council of the College has internally restricted net assets in consideration of additional IT systems development and program development supporting the public interest.

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

10. Government assistance

During the year, the College received government assistance in the amount of \$89,455 through the Canada Emergency Wage Subsidy program and \$17,208 through the Canada Emergency Rent Subsidy program. Total government assistance in the amount of \$106,663 is included in the statement of operations, of which \$35,207 is included in government assistance receivable at June 30, 2021.

In the prior year, the College received government assistance in the amount of \$25,000 through the Temporary Wage Subsidy program.

The government assistance is not subject to any specific future terms or conditions, however, the Canada Revenue Agency may require additional reporting in a future period to verify the eligibility and compliance of the College with the terms and conditions of the programs.

COLLEGE OF EARLY CHILDHOOD EDUCATORS

Notes to Financial Statements (continued)

June 30, 2021

11. **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>
2022	805,225
2023	805,225
2024	<u>536,817</u>
	<u><u>2,147,267</u></u>

12. **Impact of COVID-19**

The global pandemic of the virus known as COVID-19 has 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 future financial effect, if any, on the College.

