



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel



2020-2021

ANNUAL
REPORT

CHAIR'S REPORT – Annual General Meeting 2021

Dear Colleagues,

As I write this for the CHRC Annual Report of 2020-21, I ponder on the unusual experience both CHRC and the cultural sector as a whole have been through this past year. It has been a time of suspension, a time of change, a time of disruption and a time of reflection. Probably, not since the Pandemic of 1918-19 has there been an extended period of upheaval for the cultural sector.

Of course, the sector has changed a lot since that time 100 years ago, so our recovery will be different, and not entirely predictable or under our control. We all hoped, that by this time, we would be past the COVID-19 pandemic and back to the way we used to do things, but, such is not the case, and still not at the end of our fiscal year.

CHRC spent the year supporting the sector, liaising with government to advise on and advocate for the human resources needs, continuing with support programs already in play and speaking with the sector about current issues and needs for immediate and future action. As with everyone, our communications were all virtual, which in some ways, allowed for greater participation from around the country.

CHRC salutes and thanks all levels of government for their support with immediate needs to the sector due to the pandemic. Furthermore, we are thankful for the buoying support to intervene in potential and real downward organizational spirals, as well as the initiatives to ignite/reignite cultural production and delivery. In particular, we wish to thank the Canada Council for the Arts, the Department of Canadian Heritage and the federal government for their funding support and initiatives to help stabilize CHRC.

As my term as a board member is finishing, this is my last report as Chair of CHRC. It is a position I have enjoyed and grown from. The opportunity to work with so many intelligent and committed members of the sector has opened my eyes to the continued strength and opportunity that exists within the sector and lies ahead of us, despite recent challenges. I sincerely want to especially thank my fellow board members, who have come together to steer the organization through the many changes and challenges that CHRC has recently weathered. Also, to the staff of CHRC who have successfully transitioned the administrative functions of the organization, leading to an operation that is in tune with current trends of a lean and efficient work environment.

There will be more adjustments and challenges for the cultural sector in the coming year. CHRC is committed to continue to work on behalf of the sector and its membership, to assist in creating a bright future for those in the workforce and those that aspire to a fulfilling career in a dynamic field of endeavour.

Sincerely submitted,

Richard Hornsby
Chair

EXECUTIVE DIRECTOR'S REPORT – Annual General Meeting 2021

Dear CHRC Members,

This was certainly a year to remember!

That said, we can focus on what and how we dealt with the challenges we faced rather than give too much credit to the pandemic that affected us all in one way or another. CHRC salutes Canada's cultural sector stakeholders for their resilience and will to adapt or engage in ever-changing logistical and opportunity parameters throughout the year.

We are happy to humbly share the 2020-2021 CHRC accomplishments:

YCW - The [Young Canada Works](#) program funded by the Department of Canadian Heritage was increased to provide 48 internship opportunities.

RWA - The Department of Canadian Heritage's continued support for our [Respectful Workplaces in the Arts](#) program allowed CHRC to deliver another 54 workshops online to 385 participants with its [team of facilitators](#). The RWA program has received international attention and CHRC was asked to contribute to initiatives such as [Support Art Workers](#) (SAW) in Greece and [United Women Singapore](#) (UWS). CHRC RWA [workshops](#) will continue into 2021-2022.

Arts Futures - During the summer of 2020, following the previous fall's 5-day intensive hands-on program focused on virtual and augmented reality production and distribution, Interactive Ontario (IO), CHRC and authors Henry Faber and Max Lander published [Selecting and Teaching Immersive Technology for Artistic Applications](#). Funding for this project was provided by the Canada Council for the Arts.

T2L4 end - During this year we also came to the end of our 4th edition of [Talent to Lead](#) (T2L). This edition of the program focused on mentoring mid-career IBPOC and Official Language Minority cultural managers. Funded by the Canada Council for the Arts, T2L4 connected twenty (12 anglophone and 8 francophone) mentee-mentor pairings. Led by project managers Annalee Adair and Lise Labine, the mentoring (based on CHRC's [HR Management Toolkit](#)) invited mentors and mentees to attend webinars produced by HEC Montréal (French) and Williams HR (English).

CSRR - With consultants Jane Needles and Hamal Docter, CHRC convened over 275 organizations grouped in artistic caucuses to discuss the common challenges that were affecting the cultural sector. Thus, the [Cross-Sectoral Recovery Roundtables](#) (CSRR) project came to life. The Ontario Arts Council provided a grant to sustain the project's objectives that are being pursued into 2021-2022 with an eye on improved economic stability for all stakeholders and an accessible equal-opportunity sector that everyone can thrive in.

TAMYC update – [The Art of Managing Your Career](#) (TAMYC) is being updated. Funded by the Canada Council for the Arts, CHRC is working with discipline experts to review the existing material and to begin preparing webinars/workshops to help self-employed and future self-employed artists thrive. The project officially started in 2020-2021 but will get fully under way in 2021-2022.

CIMA HR webinar series – Last but not least, CHRC enjoyed collaborating with consultants Shelly L. Woods and Robin Turnill as well as Williams HR's Laura Williams and Joel Smith to produce HR-focussed webinars for the Canadian Independent Music Association (CIMA).

The Annual Report is an excellent opportunity to recognize our key collaborators. CHRC is very fortunate to have so many faithful and long-serving members on its [Board of Directors](#); many of whom are at the end of their terms and renewals. Thank you for the guidance, direction, advice and sound governance of the organization. Congratulations are also in order for this Board of Directors for weathering a long transition period that is now seeing the organization enter a growth phase. Obviously, we are also grateful for [Provincial and Territorial Advisory Committee](#) (PATAC)'s continued involvement as well as support from our membership. Thank you as well to our dedicated team starting with our 2021 intern, Jessica Lafontaine, and last but certainly not least, our long-serving core staff (with a collected tenure calculated in decades!): Lucie D'Aoust, Erma Barnett and Michael Lechasseur. It is truly a privilege to work with you.

Wishing everyone an amazing 2021-2022!

Kind regards,

Grégoire Gagnon, D. Mus., MPA & MBA
Executive Director

CULTURAL HUMAN RESOURCES COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2021

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members of:

CULTURAL HUMAN RESOURCES COUNCIL

Opinion

We have audited the accompanying financial statements of Cultural Human Resources Council, which comprise the Statement Of Financial Position as at March 31, 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 Cultural Human Resources Council as at March 31, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Cultural Human Resources Council 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 Matter

There is tremendous uncertainty in regards to the negative economic impacts of the COVID-19 pandemic. It is very possible that there will be significant decreases in revenues and the inability of the organization to adjust expenditures may result in a significant negative impact on operational results. These financial statements do not include any potential adjustments or accruals for these potential effects.

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 Cultural Human Resources Council's ability 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 Cultural Human Resources Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Cultural Human Resources Council's financial reporting process.

Auditors' 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 auditors' 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 these 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 Cultural Human Resources Council's internal control.
- 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 Cultural Human Resources Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Cultural Human Resources Council 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.



Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
September 23, 2021

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 214,237 | \$ 133,315 |
| Accounts receivable | 16,233 | 54,273 |
| GST/HST receivable | <u>6,156</u> | <u>4,048</u> |
| | 236,626 | 191,636 |
| CAPITAL ASSETS (note 3) | <u>263</u> | <u>585</u> |
| | <u>\$ 236,889</u> | <u>\$ 192,221</u> |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 4,637 | \$ 13,238 |
| Source deductions payable | 356 | 2,782 |
| Committed funds (note 4) | 149,196 | 107,425 |
| Deferred revenue | <u>21,355</u> | <u>11,992</u> |
| | <u>175,544</u> | <u>135,437</u> |
| NET ASSETS | | |
| Invested in capital assets | 263 | 585 |
| Unrestricted | <u>61,082</u> | <u>56,199</u> |
| | <u>61,345</u> | <u>56,784</u> |
| | <u>\$ 236,889</u> | <u>\$ 192,221</u> |

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| REVENUE (note 4; schedule 1) | \$ 699,295 | \$ 942,928 |
| EXPENDITURE | | |
| Amortization | 322 | 715 |
| Capital asset disposal | - | 163 |
| Bank charges | 1,332 | 2,069 |
| Communications and translation | 16,708 | 30,921 |
| Insurance | 3,924 | 3,669 |
| Internship programs | 396,090 | 188,850 |
| Legal, accounting and audit | 8,203 | 9,038 |
| Occupancy and storage costs | 2,556 | 5,068 |
| Office supplies | 1,974 | 1,767 |
| Postage and courier | 225 | 248 |
| Professional fees | 107,638 | 377,263 |
| Salaries, benefits and casual wages | 150,859 | 172,092 |
| Telecommunications | 3,218 | 7,798 |
| Travel and accommodation | 1,685 | 124,603 |
| | <u>694,734</u> | <u>924,264</u> |
| EXCESS OF REVENUE OVER EXPENDITURE | \$ 4,561 | \$ 18,664 |

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2021

| | Invested In Capital Assets | Unrestricted | 2021 | 2020 |
|--|-------------------------------|------------------|------------------|------------------|
| NET ASSETS | | | | |
| BALANCE, BEGINNING OF YEAR | \$ 585 | \$ 56,199 | \$ 56,784 | \$ 38,120 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE | <u>(322)</u> | <u>4,883</u> | <u>4,561</u> | <u>18,664</u> |
| BALANCE, END OF YEAR | <u>\$ 263</u> | <u>\$ 61,082</u> | <u>\$ 61,345</u> | <u>\$ 56,784</u> |

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES | | |
| Excess of revenue over expenditure for the year | \$ 4,561 | \$ 18,664 |
| Items not requiring an outlay of cash: | | |
| Amortization | 322 | 715 |
| Capital asset disposal | <u>-</u> | <u>163</u> |
| | 4,883 | 19,542 |
| Net change to non-cash items related to operations: | | |
| Accounts receivable | 38,040 | (22,611) |
| GST/HST receivable | (2,108) | 20,624 |
| Prepaid expenses | - | 628 |
| Accounts payable and accrued liabilities | (8,601) | (14,596) |
| Source deductions payable | (2,426) | (1,201) |
| Committed funds | 41,771 | 65,552 |
| Deferred revenue | <u>9,363</u> | <u>(2,441)</u> |
| | <u>80,922</u> | <u>65,497</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investments, net | <u>-</u> | <u>5,085</u> |
| NET INCREASE IN CASH | 80,922 | 70,582 |
| CASH, BEGINNING OF YEAR | <u>133,315</u> | <u>62,733</u> |
| CASH, END OF YEAR | <u><u>\$ 214,237</u></u> | <u><u>\$ 133,315</u></u> |

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

1. GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Cultural Human Resources Council (the "Council") is a registered charity under the Income Tax Act (Canada) and incorporated without share capital under the Canada Business Corporations Act on October 4, 1994. The mission of the Council is to initiate, coordinate and promote human resources planning, management, development and training in the cultural sector. These financial statements represent the combined programs of the Council. As a registered charity, the Council is not subject to income taxes.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP), and reflect the following policies:

BASIS OF PRESENTATION

The financial statements are prepared using the historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of the fair value.

ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. These estimates, such as amortization of capital assets, are based on management's best knowledge of current events and actions that the Council may undertake in the future. Actual results may differ from these estimates.

REVENUE RECOGNITION

The Council follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unexpended contributions are recorded as committed funds on the Statement Of Financial Position until the termination of the agreement to which they relate. Unexpended funds at the termination date of each contribution agreement are payable to the contributor.

Contributed capital assets are reported as revenue when the organization receives the capital assets. These contributions are recorded at the fair value of the capital assets or a nominal value of \$1 if the fair value cannot be reasonably determined.

Investment income is recognized as it is earned.

CAPITAL ASSETS

The computer hardware is recorded at cost. Amortization is computed to amortize the cost of the computer hardware less its residual value over its estimated useful life, using the declining balance method at the annual rate of 55%.

Capital assets acquired during the year are amortized at half of the annual rate.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2021

3. CAPITAL ASSETS

| | 2021 | | 2020 |
|-------------------|----------|--------------------------|----------------|
| | Cost | Accumulated Amortization | Net Book Value |
| Computer hardware | \$ 1,792 | \$ 1,529 | \$ 263 |
| | | | \$ 585 |

4. COMMITTED FUNDS

| | 2021 | 2020 |
|--|------------|------------|
| Canadian Heritage and Metcalf Foundation | | |
| Balance, beginning of year | \$ 28,556 | \$ 14,594 |
| Contributions | 95,553 | 285,803 |
| Expenditures | (51,186) | (271,841) |
| Balance, end of year | 72,923 | 28,556 |
| Canada Council for the Arts | | |
| Balance, beginning of year | 78,869 | 18,858 |
| Contributions | 76,500 | 160,900 |
| Expenditures | (79,096) | (100,889) |
| Balance, end of year | 76,273 | 78,869 |
| Employment and Social Development Canada | | |
| Balance, beginning of year | - | 8,421 |
| Contributions | - | 139,180 |
| Expenditures | - | (147,601) |
| Balance, end of year | - | - |
| Total balance, end of year | \$ 149,196 | \$ 107,425 |

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2021

5. CANADA EMERGENCY WAGE SUBSIDY

During the fiscal year under the subsidy provisions administered by the Canada Revenue Agency (CRA) pertaining to financial hardships experienced as a result of the COVID-19 pandemic, certain benefits were received under the Canada Emergency Wage Subsidy (CEWS) program. This program allowed employers to obtain a taxable subsidy of an amount of up to 75% of eligible employee remuneration for certain periods assuming that prescribed decreases in revenues were experienced. This program is relatively complex in that different calculations are required for each period, there is no history of reassessments or CRA review and the constantly-emerging information has caused some confusion for employers potentially causing incorrect subsidy applications. As a result, it is not possible to fully ascertain whether a liability exists with regard to a potential re-calculation or repayment of CEWS amounts received prior to the year end.

6. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Council is exposed to various financial risks resulting from both its operations and its investment activities. The Council's management manages financial risks.

The Council does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

FINANCIAL RISKS

The Council's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

The Council is exposed to credit risk since its cash is held by one financial institution. A significant portion of its accounts receivable is due from two government departments, and as a result exposes the Council to limited credit risk.

Interest rate risk

The Council is exposed to interest rate risk as a result of short-term floating bank indebtedness. The interest rate risk to the Council's earnings arises from fluctuations in interest rates and the degree of volatility of these rates.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and short-term investments and to ensure that the Council has financing sources such as bank loans for a sufficient authorized amount. The Council establishes budget and cash estimates to ensure it has the necessary funds to fulfill its obligations.

Short-term financial instruments

The fair value of short-term financial assets and liabilities approximates their carrying amount given that they will mature shortly.

CULTURAL HUMAN RESOURCES COUNCIL

SCHEDULE OF REVENUES - Schedule 1

MARCH 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| OPERATING | | |
| <i>COVID-19 relief</i> | | |
| Canada Emergency Wage Subsidy | \$ 22,728 | \$ - |
| Canada Council for the Arts | <u>41,900</u> | <u>-</u> |
| | <u>64,628</u> | <u>-</u> |
| ANCILLARY AGREEMENTS | | |
| <i>YCW - Building Careers in Heritage</i> | | |
| Canadian Heritage | 473,290 | 226,000 |
| <i>Digital Literacy</i> | | |
| Canada Council for the Arts | 30,124 | 60,776 |
| <i>Talent to Lead</i> | | |
| Canadian Heritage and Metcalf Foundation - T2L3 | - | 64,143 |
| Canada Council for the Arts - T2L4 | 48,745 | 21,255 |
| <i>Cultural Labour Market Information Study</i> | | |
| Employment and Social Development Canada | - | 147,601 |
| <i>Respectful workplaces in the arts</i> | | |
| Canada Council for the Arts | - | 18,858 |
| Canadian Heritage | 51,186 | 210,247 |
| Official-Language Communities Program | - | 47,000 |
| Department of Justice | - | 116,773 |
| <i>The Art of Managing Your Career</i> | | |
| Canada Council for the Arts | <u>227</u> | <u>-</u> |
| | <u>603,572</u> | <u>912,653</u> |
| SELF-GENERATED | | |
| Interest and other | 1,500 | 128 |
| Membership fees | 13,237 | 21,612 |
| Sales of products and services | <u>16,358</u> | <u>8,535</u> |
| | <u>31,095</u> | <u>30,275</u> |
| | <u>\$ 699,295</u> | <u>\$ 942,928</u> |