

2006 • 2007 ANNUAL REPORT



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel

PRESIDENT'S REPORT — *Annual General Meeting 2007*

Dear Colleagues,

Over the past year, CHRC has been deepening its roots in the cultural sector through several projects: strategic planning with the cultural industries; developing new HR management tools for cultural managers; providing important career tools to individual artists through the discipline enhancements of *The Art of Managing Your Career*; and offering career information and guidance to emerging artists and cultural workers in our new online *Careers in Culture* series.

We have also met regularly with the members of our Provincial and Territorial Advisory Committee (PATAAC). These important partners provide CHRC with links to the broader cultural community — links which we, as a national organization, can't necessarily forge on our own. They help with the grassroots dissemination of CHRC products such as the HR Tools and *The Art of Managing Your Career Discipline Enhancements*. And they find their own networks are strengthened through their participation in PATAAC.

We help out cultural employers by providing many internship opportunities to young artists and cultural workers who have finished school and are looking for their first job in the sector, through the *Career Focus* and *Careers in Cultural Heritage* programmes.

And we continue to collaborate with educators through such organizations as the Association of Canadian Community Colleges, and with individual universities and private training institutions, to promote better communications with industry as they set curricula and prepare young Canadians for cultural occupations.

While our work with self-employed artists and cultural workers, and small and medium entrepreneurs and employers, continues at a fast and steady pace, we are now also turning our attention to large employers in the cultural sector. We know they have important roles in the cultural industries, but we want to understand what exactly their impact is: what does their cultural labour force look like? what are their training and other HR needs? We are undertaking two major studies which will answer some of these questions in the coming months: one of large employers in film and broadcasting, music and sound recording, book and magazine publishing, and new media; and one that is specifically focused on the newspaper industry.

The results of these studies will inform our ongoing relationship with the large employers in the sector.

CHRC Board and Staff remain as committed as ever to our mandate to strengthen the Canadian cultural workforce through improved training and HR management.

We are proud and pleased to be working with you and for you to achieve our common goals.

Richard Hornsby
PRESIDENT

EXECUTIVE DIRECTOR'S REPORT — *Annual General Meeting 2007*

Dear Friends and Colleagues,

The past year has been an important one in moving the sector forward on its strategic thinking about training and professional development.

As you know, CHRC is on a multiyear track to identify and describe skills for key occupations in five cultural industries (Film and Television, Music and Sound Recording, Book Publishing, New Media, and Live Performing Arts); to identify training offerings for those skills; and to develop with the sector ways and means of filling the training gaps.

In some cases there is no formal training – for example, many theatre technicians learn their profession “on-the-job”. In other cases, the “jobs” themselves are changing so quickly because of advancing technology and globalization, that training for them must be available to practicing professionals as well as emerging artists. This is particularly true in the music business where musicians must learn business skills with the rapid growth of micro and small music businesses. In the case of Film and Television, the industry is sophisticated but the training is often informal and ad hoc, and steps must be taken to ensure that workers in the industry are ready for the international market place.

In 2006/2007 we have been focusing on strategic planning for training. We were proud and very pleased to release *Fast Forward*, a national training strategy for the film and television industry. This was the result of extensive consultation with the industry, educators and funders across the country. We are now moving forward with the recommendations of that report, including the launch of the new Film and Television Training Data Base.

We also released Phase 1 of a National Training Strategy for the Music Industry, which was validated at a roundtable of music industry representatives and educators in March. Phase II to come in 2007/2008.

We have worked with Theatre Technicians and other partners such as CITT and the Banff Centre for the Arts to develop a series of skills analyses for the key occupations in that industry, and to lay the groundwork for formal on-the-job training opportunities. A Roundtable to bring that work to fruition will take place in August 2008.

We have developed a New Media/Film and Television Convergent Media pilot course to prepare the next wave of artistic production in new technologies.

It's a very exciting time to be at the centre of this activity, and to realize that CHRC is indeed making a difference for cultural industries and individual artists across the country.

We are looking forward to 2007/2008 which will carry us forward on this trajectory!

Susan Annis
EXECUTIVE DIRECTOR

Cultural Human Resources Council
Financial Statements
March 31, 2007

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Auditors' Report

To the Members of
Cultural Human Resources Council

We have audited the statement of financial position of the Cultural Human Resources Council as at March 31, 2007 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton LLP

Chartered Accountants,
Licensed Public Accountants

Ottawa, Canada
May 14, 2007

Cultural Human Resources Council

Financial position

March 31, 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
ASSETS		
Current assets		
Bank	383,369	569,070
Short-term investments (Note 3)	167,060	247,195
Accounts receivable	125,255	37,074
Prepaid expenses	7,268	4,715
	<u>682,952</u>	<u>858,054</u>
Long-term investments (Note 3)	60,122	
Capital assets (Note 4)	2,181	3,117
	<u>745,255</u>	<u>861,171</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	350,635	365,702
Committed funds (Note 5)	110,879	223,833
Deferred revenue	4,430	7,990
	<u>465,944</u>	<u>597,525</u>
NET ASSETS (Note 6)		
Invested in capital assets	2,181	3,117
Unrestricted	277,130	260,529
	<u>279,311</u>	<u>263,646</u>
	<u>745,255</u>	<u>861,171</u>

The accompanying notes are an integral part of the financial statements.

Cultural Human Resources Council Operations and changes in net assets

Year ended March 31, 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
Revenue (Schedule 1)	<u>2,114,925</u>	<u>2,157,201</u>
Expenses		
Furniture, equipment and rentals	33,400	37,017
Internship programs	447,395	347,497
Legal, accounting and audit	12,175	10,330
Communications and marketing	40,292	79,250
Occupancy and storage costs	58,926	56,925
Insurance	4,479	4,479
Office and supplies	40,896	58,744
Postage and courier	13,482	16,293
Bad debts	12,298	62
Bank charges	3,555	3,386
Professional fees	398,355	490,055
Printing and translation	145,228	75,861
Salaries, benefits and casual wages	417,862	409,977
Telecommunications	22,054	29,646
Travel and accommodation	399,519	495,892
Website redesign and development	48,408	74,428
Amortization of capital assets	936	1,335
	<u>2,099,260</u>	<u>2,191,177</u>
Excess (deficiency) of revenue over expenses	15,665	(33,976)
Net assets, beginning of year (Note 6)	<u>263,646</u>	<u>297,622</u>
Net assets, end of year (Note 6)	<u>279,311</u>	<u>263,646</u>

The accompanying notes are an integral part of the financial statements.

Cultural Human Resources Council

Notes to financial statements

March 31, 2007

1 - NATURE OF OPERATION AND GOVERNING STATUTES

The Cultural Human Resources Council (the "Council") is a not-for-profit organization 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 not-for-profit organization, the Council is not subject to income taxes.

2 - ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates 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 until the termination of the agreement to which they relate. Unexpended funds at the termination date of each contribution agreement are repayable to the contributor.

Investment income is recognized as it is earned.

Capital assets

Capital assets are recorded at cost. Amortization is computed, to amortize the cost of the assets less their residual values over their estimated useful lives, using the declining balance method at the annual rate of 30%.

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

Capital acquisitions related to Human Resources and Social Development Canada (HRSDC) projects are expensed at the date of purchase as the Council does not own the asset until approval for the disposal of the capital assets on completion of the project is received from the Director General of Human Resources Partnerships.

Investments

Investments are recorded at the lower of cost and market value.

Cultural Human Resources Council

Notes to financial statements

March 31, 2007

3 - INVESTMENTS

Investments consist of Guaranteed Investment Certificates bearing interest between 4.00% and 4.38% (1.50% to 3.25% - 2006) and maturing between July 2007 and March 2009. The investments have a combined market value as at March 31, 2006 of \$227,182 (\$247,195 - 2006).

4 - CAPITAL ASSETS

	2007		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Computer hardware	<u>9,297</u>	<u>7,116</u>	<u>2,181</u>

	2006		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Computer hardware	<u>9,297</u>	<u>6,180</u>	<u>3,117</u>

5 - COMMITTED FUNDS

Funds from HRSDC and other government agencies:

	<u>2007</u>	<u>2006</u>
	\$	\$
Balance, beginning of year	223,833	184,200
Contributions received	1,928,885	2,338,100
Expenditures incurred	<u>(2,041,839)</u>	<u>(2,298,467)</u>
Balance, end of year	<u>110,879</u>	<u>223,833</u>

Committed funds represent excess amounts of revenues over expenses in the various programs for the year ending March 31, 2007. Per the funding agreement, these amounts can be carried forward to the subsequent fiscal period, except for agreements ending in the current fiscal period or unspent funds which are returned to the funder.

6 - NET ASSETS

	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>2007</u>	<u>2006</u>
	\$	\$	\$	\$
Balance, beginning of year	3,117	260,529	263,646	297,622
Excess (deficiency) of revenue over expenditure	<u>(936)</u>	<u>16,601</u>	<u>15,665</u>	<u>(33,976)</u>
Balance, end of year	<u>2,181</u>	<u>277,130</u>	<u>279,311</u>	<u>263,646</u>

Cultural Human Resources Council

Notes to financial statements

March 31, 2007

7 - CREDIT FACILITY

The Council has an authorized credit facility in the amount of \$50,000 which was not utilized as at March 31, 2007. This facility which bears interest at the bank prime rate plus 1% is secured by general security agreement.

8 - COMMITMENTS

The Council has future minimum operating lease commitments for office space and office equipment expiring between June 2007 and June 2010 which requires lease payments of \$85,447. The minimum lease payments for the next four years are \$62,425 in 2008, \$19,772 in 2009, \$2,479 in 2010, and \$771 in 2011. The office space lease renews on an annual basis.

9 - ECONOMIC DEPENDENCE

The Council's operations are significantly funded by contributions from Human Resources and Social Development Canada.

10 - FINANCIAL INSTRUMENTS

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments.

Short-term financial instruments

The fair value of the short-term financial assets and liabilities approximates their carrying amount given that they will mature shortly. It is management's opinion that the Council is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Investments

The fair value of the investments is equal to the carrying value.

11 - STATEMENT OF CASH FLOWS

No statement of cash flows has been presented since principal operating, investing and financing activities are readily apparent from the other financial statements and presenting such a statement would provide no additional information.

12 - COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Cultural Human Resources Council

Schedule of revenues - (Schedule 1)

March 31, 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
Operating		
Infrastructure Agreement (625624)	<u>511,663</u>	<u>487,424</u>
Ancillary agreements		
<i>Transition from school to work programs</i>		
Building Careers In Heritage - DCH	166,203	164,897
Mentoring Youth In Culture	413,679	215,301
Career Focus - HRSDC		(1,612)
<i>Career Paths</i>		
Careers in Culture Web Version	86,193	56,722
<i>Human Resources Strategies</i>		
Education Links	245,460	180,564
<i>Occupational analysis and promotion</i>		
Competencies and Training Gaps Analyses	173,048	682,254
Competencies, Tools and Training Gaps Analyses	301,235	
New Media		34,410
Competency Development		215,271
Regional Delivery		43,992
<i>Culture labour market analysis and promotion</i>		
Cultural Sector Representation	1,248	
LMI Built Heritage Labour Force Survey	56,114	
<i>Curriculum development</i>		
The Art of Managing Your Career Teachers Guide		9,719
The Art of Managing Your Career Enhancement	69,778	
	<u>1,512,958</u>	<u>1,601,518</u>
Self-generated		
Grants	50,833	38,754
Interest and other	7,249	3,472
Membership fees	22,465	11,924
Sales of services and processing fees	130	3,463
Sales of products	9,627	10,646
	<u>90,304</u>	<u>68,259</u>
	<u>2,114,925</u>	<u>2,157,201</u>