



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel



2014-2015 ANNUAL
REPORT

PRESIDENT'S REPORT – Annual General Meeting 2015

CHRC continues to shine as the only national cultural organization that represents the full gamut of the sector, and as the only national voice on cultural HR issues.

In that unique role we adapt and promote the products we have developed over the years – notably *The Art of Managing Your Career*, the *HR Management Toolkit* and *The Art of Export Marketing*.

Our website is as rich and current as ever – a storefront offering CRHC products and a library of information and research at the fingertips of artists, cultural workers, cultural employers, trainers and educators.

We nurture our national network through our Provincial and Territorial Advisory Committee (our “PATAcians”) – sharing the ups and downs of cultural policy and funding that mark the provincial cultural landscapes.

We support employment in the sector through our national job board Cultureworks.ca, and through the Young Canada Works at Building Careers in Heritage internship program we administer on behalf of the Department of Canadian Heritage.

And we sit at the table of the national Consortium on Cultural Statistics, bringing the sector perspective to important discussions and decisions on the collection and analysis of Canadian cultural statistics through the Cultural Satellite Account.

Our dedicated Board members from across the sector and the country continue to guide CHRC on your behalf – with attention focused on key areas such as training in export marketing and mentoring. Our dedicated staff is the engine that keeps the wheels running. And you, our members, are our *raison d'être*!

It's a pleasure and a privilege to be at the helm of this vital organization. 2014/2015 has been a good year for CHRC.

Richard Hornsby
PRESIDENT

EXECUTIVE DIRECTOR'S REPORT – Annual General Meeting 2015

This past year has been a good one for CHRC. On the home front we have moved seamlessly to a new office at 25One Community which we share with like-minded not-for-profit organizations – a comfortable, practical cooperative space in downtown Ottawa. Also on the home front, we went through the steps of acquiring our new Articles of Continuance – as all federally incorporated not-for-profit organizations had to do to comply with the new Not-for-profit Corporations Act.

But most importantly, in terms of activity, we have finally been able to put a focus on Aboriginal artists and their needs - as we have wanted to do for a long time. This was thanks to a generous grant from the Counselling Foundation of Canada and contributions from several other “partners” including the Government of British Columbia, the Edmonton Arts Council, the Saskatchewan Arts Board, SaskCulture, Miziwe Biik Aboriginal Employment and Training Organization in Ontario, and JEDI (Joint Economic Development Initiative Inc.) in New Brunswick.

Our project is to develop a workshop for Aboriginal artists based on CHRC's *The Art of Managing Your Career (TAMYC)*; to revise the TAMYC discipline enhancements to include Aboriginal content and POV; and to train a cohort of Aboriginal trainers from across the country to teach the workshop to their people, in their communities.

The project is being guided by a remarkable Steering Committee (SC) of senior Aboriginal artists (First Nations, Métis and Inuit) from across the country and across the sector. A more talented, committed, generous and action-oriented group of people you would be hard pressed to find. It is an honour and a privilege to be working with them. The amazing France Trépanier – Métis artist, consultant, administrator, mentor, writer – is leading the project as she follows the guidance of the SC in developing the workshop. She will train the cohort of Aboriginal trainers in the fall in English in Ottawa, and in French at the newly opened Ashukan Centre in Montreal.

Meanwhile, Aboriginal artists have been engaged to incorporate Aboriginal examples, content and voice into the 8 discipline enhancements – for writing, dance, theatre, music, film, digital media content creation, visual arts, and crafts - which will be published in the fall.

Riding parallel to this work was a smaller project that CHRC undertook for the Government of Nunavut: to develop a TAMYC workshop specifically designed for Nunavut artists. Again, we had an extraordinary consultant to work with – Sibyl Frei who created the original TAMYC *Post-secondary Teacher's Guide* and has a deep personal connection with the Yukon. She relied heavily on the advice and expertise of Nunavut artists in the visual arts, performing arts and film. The end result: a Workshop with a Trainer's Guide, PowerPoint slide show, and Participant Workbooks for visual artists, for performing artists, and for filmmakers. Pilot workshops will be given using this material in the summer.

The coming year augurs well as these projects play out and others in the wings come to fruition.

But we couldn't do it without our members.

CHRC IS its membership.

Thank you for your support!

Susan Annis
EXECUTIVE DIRECTOR

CULTURAL HUMAN RESOURCES COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2015

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PARKER PRINS LEBANO

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

Professional Corporation

To the Members of the:

CULTURAL HUMAN RESOURCES COUNCIL

Report on the Financial Statements

We have audited the accompanying financial statements of the **CULTURAL HUMAN RESOURCES COUNCIL**, which comprise the Statement Of Financial Position as at March 31, 2015, and the Statements Of Operations, Changes In Net Assets, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **CULTURAL HUMAN RESOURCES COUNCIL** as at March 31, 2015, and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

Without modifying our opinion, we draw attention to Note 6 to the financial statements which describes management's plans in regard to the material uncertainty that exists, resulting from the completion of the agreement of funding with the Human Resources and Skills Development Canada (HRSDC), and thus raises substantial doubt about the organization's ability to continue as a going concern.

A handwritten signature in black ink, appearing to read 'Parker Prins Lebano', is written in a cursive style.

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

Ottawa, Ontario
June 22, 2015

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Cash	\$ 54,400	\$ -
Accounts receivable	84,342	20,920
GST/HST receivable	628	15,653
Prepaid expenses	<u>823</u>	<u>481</u>
	140,193	37,054
LONG-TERM INVESTMENTS (Note 3)	84,773	297,622
CAPITAL ASSETS (Note 4)	<u>531</u>	<u>937</u>
	<u>\$ 225,497</u>	<u>\$ 335,613</u>
LIABILITIES		
CURRENT		
Bank indebtedness	\$ -	\$ 1,315
Accounts payable and accrued liabilities	21,349	3,250
Source deductions payable	2,201	2,948
Deferred revenue	<u>52,492</u>	<u>18,421</u>
	<u>76,042</u>	<u>25,934</u>
NET ASSETS		
Invested in capital assets	531	937
Unrestricted	<u>148,924</u>	<u>308,742</u>
	<u>149,455</u>	<u>309,679</u>
	<u>\$ 225,497</u>	<u>\$ 335,613</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
REVENUE (Schedule 1)	\$ 255,815	\$ 311,942
EXPENDITURE		
Amortization	406	402
Bad debts	2,012	250
Bank charges	1,405	3,336
Communications and marketing	4,367	8,488
Furniture, equipment and rentals	705	3,832
Insurance	3,125	2,780
Internship programs	146,850	146,850
Legal, accounting and audit	5,592	6,407
Occupancy and storage costs	20,104	23,454
Office supplies	4,099	5,052
Postage and courier	1,453	1,795
Printing and translation	1,268	9,978
Professional fees	15,350	25,067
Salaries, benefits and casual wages	169,016	182,463
Telecommunications	9,212	8,923
Travel and accommodation	27,948	17,938
Website redesign and development	3,127	1,916
	416,039	448,931
DEFICIENCY OF REVENUE OVER EXPENDITURE	\$ (160,224)	\$ (136,989)

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2015

	Invested In Capital Assets	Unrestricted	2015	2014
NET ASSETS				
BALANCE, BEGINNING OF YEAR	\$ 937	\$ 308,742	\$ 309,679	\$ 446,668
DEFICIENCY OF REVENUE OVER EXPENDITURE	<u>(406)</u>	<u>(159,818)</u>	<u>(160,224)</u>	<u>(136,989)</u>
BALANCE, END OF YEAR	<u>\$ 531</u>	<u>\$ 148,924</u>	<u>\$ 149,455</u>	<u>\$ 309,679</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenditure for the year	\$ (160,224)	\$ (136,989)
Items not requiring an outlay of cash:		
Amortization	406	402
	(159,818)	(136,587)
Net change to non-cash items related to operations:		
Accounts receivable	(63,422)	47,768
GST/HST receivable	15,025	5,004
Prepaid expenses	(342)	1,136
Accounts payable and accrued liabilities	18,099	(6,882)
Source deductions payable	(747)	2,948
Committed funds	-	(57,484)
Deferred revenue	34,071	(3,833)
	2,684	(11,343)
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Investments, net	212,849	(5,367)
NET INCREASE (DECREASE) IN CASH	55,715	(153,297)
(BANK INDEBTEDNESS) CASH, BEGINNING OF YEAR	(1,315)	151,982
CASH (BANK INDEBTEDNESS), END OF YEAR	\$ 54,400	\$ (1,315)

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

1. GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

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

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), 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.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2015

2. ACCOUNTING POLICIES (continued)

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 30%.

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

Capital acquisitions related to Human Resources and Skills 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.

3. INVESTMENTS

Investments consist of a Guaranteed Investment Certificate bearing an interest rate of 0.75% (1.10% to 1.75% - 2014) and maturing in January 2016.

4. CAPITAL ASSETS

	2015		2014
	Cost	Accumulated Amortization	Net Book Value
Computer hardware	\$ 1,819	\$ 1,288	\$ 531
			\$ 937

5. COMMITTED FUNDS

Funds from Human Resources and Skills Development Canada (HRSDC) and the Department of Canadian Heritage (DCH):

	2015	2014
HRSDC		
Balance, beginning of year	\$ -	\$ 2,098
Expenditures	-	(2,098)
Balance, end of year	-	-
DCH		
Balance, beginning of year	-	55,386
Contributions	176,000	176,000
Expenditures	(176,000)	(231,386)
Balance, end of year	-	-

CULTURAL HUMAN RESOURCES COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
MARCH 31, 2015

6. GOING CONCERN

These financial statements have been prepared based on the going concern assumption. The success of the Council is contingent on generating significant funding from outside sources, as well as self-generated revenues. A significant amount of external funding was cut in fiscal 2014. While the Council is aiming to become more self-sufficient, they are actively seeking continued funding from multiple sources, the amounts of which are not determinable. Management believes the remaining funds within the Council will allow them to operate through the next fiscal year based on the current spending model, or longer should the organization re-evaluate forthcoming budgets pending confirmation of future funding agreements.

7. 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, 2015

	<u>2015</u>	<u>2014</u>
ANCILLARY AGREEMENTS		
<i>Transition from school to work programs</i>		
National Arts Training Contribution Program - DCH	<u>\$ 176,000</u>	<u>\$ 231,389</u>
SELF-GENERATED		
Grants	31,491	24,000
Interest and other	2,975	6,636
Membership fees	27,038	29,918
Sales of products and services	<u>18,311</u>	<u>19,999</u>
	<u>79,815</u>	<u>80,553</u>
	<u>\$ 255,815</u>	<u>\$ 311,942</u>