



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel



2021-2022

ANNUAL
REPORT

CHAIR'S REPORT – Annual General Meeting 2022

Dear CHRC Members,

Are we there yet? This question sums up a lot of our thoughts and hopes as the pandemic waves come and go but the desire for a general return to normalcy has begun. The pandemic has had serious effects on the cultural sector and has affected all things HR. We remain optimistic that the future will be a better one particularly after so much light has been shed on many of the injustices and inequalities in our society and our sector.

CHRC was already in a transition mode when the pandemic hit and the normal life-cycle transitions of a long-serving organization have continued. This last year was marked again by much renewal and even better - growth! I thank my colleagues on the Board of Directors who have embraced and who have contributed to these natural and positive changes for the organization.

Part of this transition has also been to question CHRC's place in the cultural sector. Thus, we have put a lot of thought and energy into internal and external evaluation of the organization towards improving our offer of services and resources to the Canadian cultural sector. Thank you to Roger Gaudet, Cheryl Ewing, Carole-Anne Piccinin, Heather Badenoch and Sue Edworthy for their help in our objective to evergreen CHRC.

As things settle down somewhat, we are getting more and more clarity on what needs are to be prioritized and we look forward to consulting our membership and stakeholders to ensure that CHRC continues to effectively support the sector through advocacy, networking, research and projects in a responsible and representative manner.

A word of thanks to our funders, Employment and Social Development Canada, the Department of Canadian Heritage, the Canada Council for the Arts, the Ontario Arts Council. Also, a word of thanks to the numerous organizations and individuals who compose our membership. Last but not least, thank you to CHRC's staff who make the project ideas a tangible reality.

Kind regards to all,

Janis Lundman

Chair of the Board, CHRC

EXECUTIVE DIRECTOR'S REPORT – Annual General Meeting 2022

Dear Members,

2021-2022 has been another year to be proud of our organization!

I wish to start by thanking CHRC's staff for the unrelenting efforts in our projects and operations. To start, our now retired Lucie D'Aoust and Erma Barnett, our long-standing webmaster Michael Lechasseur and the team members who joined CHRC in 2021, administrative and communications officers Sofia Downing, Frédérique Coulaud, Honorine Muhirwa, Audrey Séguin and our bookkeeper Tabassom Momtaheni. Your work has made this year a success!

The Department of Canadian Heritage's Young Canada Works program (YCW) rose to subsidize 79 placements that provided over \$953K to support recent post-secondary graduate internships. 2021 marked the first year for CHRC as a Student Work Placement (SWP) Program delivery organization for Employment and Social Development Canada. 249 student internships were subsidized with over \$1.04M in financial support. We salute our funders for meeting the market demand to stabilize and support our hard-hit sector. We look forward to running these programs till at least March 2024!

2021-2022 was the last year of subsidized Respectful Workplaces in the Arts Workshops funded by the Department of Canadian Heritage. 52 workshops were conducted across Canada with over 350 persons attending. Combined with 2019-2020 and 2020-2021, the project boasts a total of 176 workshops, 149 organizations and 1622 participants to improve workplace practices and behaviours. Thank you to our workshop facilitators, host organizations, the participants and our funder for being a part of this multi-year project.

Thanks to the Canada Council for the Arts, *The Art of Managing Your Career* (TAMYC) has received an update to its 5 chapters and the artistic discipline enhancements in order to prepare for the second phase which will bring support to students and early-stage artists as they develop their careers.

The Ontario Arts Council funding has helped CHRC and others engage in Inclusion, Diversity, Equity & Accessibility (IDEA). This has been an area of focus for CHRC's Cross-Sectoral Recovery Roundtables (CSRR) which invited Stella Riggi and Farah Fancy to facilitate conversations on the matter. Further, Nathan Hauch and Laurie Proulx have prepared *Accessibility in the Arts* and *Asking for Accommodations* which will soon be added to CHRC's HR Management Toolkit tool *Belonging*. Thank you to Jane Needles for your advisory role and thanks to all of the CSRR member organizations and Caucus Representatives who contribute to our information gathering on cultural sector challenges and solutions.

CHRC has also continued to consult with the sector through its Provincial and Territorial Advisory Committee (PATAC), renewed thanks for your contributions and networking in support of CHRC and the sector.

Finally, after Phase I of Creative City Network of Canada's (CCNC) Cultural Resilience: Using Innovation to Stabilize in Times of Crisis project and the publication of *Innovation and Resilience in the arts, culture, and heritage in Canada* by Hill Strategies, CHRC has prepared professional development workshops for organizations and individuals. These workshops are being presented across the country throughout 2022.

With 2021-2022 wrapped up, we look forward to the next exciting year of work and projects for our sector and our members.

Kind regards,

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

CULTURAL HUMAN RESOURCES COUNCIL
FINANCIAL STATEMENTS
MARCH 31, 2022

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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, 2022, 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, 2022, 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.

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
November 14, 2022

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash	\$ 2,302,593	\$ 214,237
Accounts receivable	12,513	16,233
GST/HST receivable	<u>10,293</u>	<u>6,156</u>
	2,325,399	236,626
CAPITAL ASSETS (note 3)	<u>118</u>	<u>263</u>
	<u>\$ 2,325,517</u>	<u>\$ 236,889</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,372,604	\$ 4,637
Source deductions payable	7,958	356
Committed funds (note 4)	788,938	149,196
Deferred revenue	<u>13,530</u>	<u>21,355</u>
	2,183,030	175,544
LONG-TERM DEBT (note 5)	<u>40,000</u>	<u>-</u>
	<u>2,223,030</u>	<u>175,544</u>
NET ASSETS		
Invested in capital assets	118	263
Unrestricted	<u>102,369</u>	<u>61,082</u>
	<u>102,487</u>	<u>61,345</u>
	<u>\$ 2,325,517</u>	<u>\$ 236,889</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE (note 4; schedule 1)	\$ 2,506,885	\$ 699,295
EXPENDITURE		
Amortization	145	322
Bank charges	3,538	1,332
Communications and translation	33,969	16,708
Insurance	4,240	3,924
Internship programs	1,998,123	396,090
Legal, accounting and audit	37,234	10,603
Occupancy and storage costs	3,447	2,556
Office supplies	8,198	1,974
Postage and courier	85	225
Professional fees	76,935	116,707
Salaries, benefits and casual wages	246,174	139,390
Telecommunications	8,236	3,218
Travel and accommodation	45,419	1,685
	<u>2,465,743</u>	<u>694,734</u>
EXCESS OF REVENUE OVER EXPENDITURE	\$ 41,142	\$ 4,561

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Invested In</u> <u>Capital Assets</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
NET ASSETS				
BALANCE, BEGINNING OF YEAR	\$ 263	\$ 61,082	\$ 61,345	\$ 56,784
EXCESS OF REVENUE OVER EXPENDITURE	<u>(145)</u>	<u>41,287</u>	<u>41,142</u>	<u>4,561</u>
BALANCE, END OF YEAR	<u>\$ 118</u>	<u>\$ 102,369</u>	<u>\$ 102,487</u>	<u>\$ 61,345</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	\$ 41,142	\$ 4,561
Items not requiring an outlay of cash:		
Amortization	<u>145</u>	<u>322</u>
	41,287	4,883
Net change to non-cash items related to operations:		
Accounts receivable	3,720	38,040
GST/HST receivable	(4,137)	(2,108)
Accounts payable and accrued liabilities	1,367,967	(8,601)
Source deductions payable	7,602	(2,426)
Committed funds	639,742	41,771
Deferred revenue	<u>(7,825)</u>	<u>9,363</u>
	<u>2,048,356</u>	<u>80,922</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt	<u>40,000</u>	<u>-</u>
NET INCREASE IN CASH	2,088,356	80,922
CASH, BEGINNING OF YEAR	<u>214,237</u>	<u>133,315</u>
CASH, END OF YEAR	<u>\$ 2,302,593</u>	<u>\$ 214,237</u>

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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 (ASNFPPO), 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, 2022

3. CAPITAL ASSETS

	2022		2021
	Cost	Accumulated Amortization	Net Book Value
Computer hardware	\$ 1,792	\$ 1,674	\$ 118
			\$ 263

4. COMMITTED FUNDS

	2022	2021
Canadian Heritage		
Balance, beginning of year	\$ 72,923	\$ 28,556
Contributions	1,128,131	95,553
Expenditures	(1,149,870)	(51,186)
Repayable amount	(32,212)	-
Balance, end of year	18,972	72,923
Canada Council for the Arts		
Balance, beginning of year	76,273	78,869
Contributions	-	76,500
Expenditures	(13,572)	(79,096)
Balance, end of year	62,701	76,273
Employment and Social Development Canada		
Balance, beginning of year	-	-
Contributions	1,976,061	-
Expenditures	(1,284,635)	-
Balance, end of year	691,426	-
Ontario Arts Council		
Balance, beginning of year	-	-
Contributions	28,500	-
Expenditures	(12,661)	-
Balance, end of year	15,839	-
Total balance, end of year	\$ 788,938	\$ 149,196

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2022

5. LONG-TERM DEBT

Long-term debt consists of the Canada Emergency Business Account (CEBA). CEBA provided the Council with a zero interest loan in the amount of \$40,000. Repayment of the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25% (up to \$10,000). If the loan is not repaid by December 31, 2023, it will convert to a term loan of two years carrying interest at 5%. It is the intention of the Council to repay the loan before December 31, 2023.

6. CANADA EMERGENCY WAGE SUBSIDY

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 during the prior fiscal year. 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 recalculation or repayment of CEWS amounts received prior to the year end.

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.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2022

7. FINANCIAL INSTRUMENTS (continued)

Short-term financial instruments

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

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current financial statement presentation.

CULTURAL HUMAN RESOURCES COUNCIL

SCHEDULE OF REVENUES - Schedule 1

MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING		
<i>COVID-19 relief</i>		
Canada Emergency Wage Subsidy	\$ -	\$ 22,728
Canada Council for the Arts	<u>-</u>	<u>41,900</u>
	<u>-</u>	<u>64,628</u>
 ANCILLARY AGREEMENTS		
<i>YCW - Building Careers in Heritage</i>		
Canadian Heritage	1,086,181	473,290
 <i>Digital Literacy</i>		
Canada Council for the Arts	-	30,124
 <i>Talent to Lead</i>		
Canada Council for the Arts - T2L4	-	48,745
 <i>Student Work Placement Program</i>		
Employment and Social Development Canada	1,284,635	-
 <i>Respectful workplaces in the arts</i>		
Canadian Heritage	63,690	51,186
 <i>The Art of Managing Your Career</i>		
Canadian Council for the Arts	13,572	227
 <i>Cross-Sectoral Recovery Roundtables</i>		
Ontario Arts Council	<u>12,661</u>	<u>-</u>
	<u>2,460,739</u>	<u>603,572</u>
 SELF-GENERATED		
Interest and other	52	1,500
Membership fees	24,900	13,237
Sales of products and services	<u>21,194</u>	<u>16,358</u>
	<u>46,146</u>	<u>31,095</u>
	<u>\$ 2,506,885</u>	<u>\$ 699,295</u>