



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel



2010-2011 ANNUAL
REPORT



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PRESIDENT'S REPORT – Annual General Meeting 2011

Consensus building, strategizing and collaboration

This past year has been one of consensus building and strategizing around HR issues across the sector, in a spirit of collaboration that permeates our encounters and discussions. (What a long way we've come from CHRC's early days when HR barely turned up on anyone's agenda!)

Under CHRC's leadership, through a national *Cultural HR Study* undertaken by the Conference Board of Canadaⁱ, we have identified HR trends and issues that are affecting our artists, cultural workers and cultural industries across the country; and together we have developed recommendations and a strategic plan to address them.

Concurrent with the consultations on HR trends and issues, we carried out extensive research on labour market information on the cultural labour force. This culminated in the first LMI report ever done for the cultural sectorⁱⁱ. This landmark document includes identification of data gaps and recommendations to solve those gaps as well as appendices rich with data and analysis on both employers and workers.

The complete *Cultural HR Study 2010*, including the *HR Trends and Issues report* and the *LMI report*, was released in December 2010, and disseminated across the country through provincial meetings and a video conference call with the Canadian North.

But the consensus building and strategizing did not end with the *HR Study*.

CHRC has also embarked on a national study of the *Impact of Emerging Digital Technologies on the Cultural Sector* which is being carried out by Nordicity consultants. Through a process of widespread consultation and research, it too will identify HR issues specifically related to digital technologies, and develop recommendations to solve those issues.

At a national roundtable just prior to our AGM 2011, Nordicity will meet with representatives from across the country and across the sector to consider both the cross sector and sub sector recommendations, and to develop next steps to implement them.

Kevin Hanson
PRESIDENT

The widespread engagement of the sector in both these studies speaks to its sophistication in terms of supporting, strengthening and caring for our key resource – our people.

CHRC is proud to be part of these efforts, and we look forward to continuing our consensus building and strategizing in the spirit of collaboration that characterizes our work together.

ⁱ See <http://www.culturalhrc.ca/research/HRStudy2010/hr-trends-e.asp>

ⁱⁱ See <http://www.culturalhrc.ca/research/HRStudy2010/LMI-e.asp>



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EXECUTIVE DIRECTOR'S REPORT – Annual General Meeting 2011

While the past year has been highlighted by extensive consultations and two national studies, as Kevin writes in the President's report, CHRC has also been actively involved in developing important training resources.

Working closely with the magazine industry, the Council convened practicing professionals to develop a competency chart and profile of skills needed in the magazine publishing industry. CHRC also commissioned a consultant to undertake a training gaps analysis based on the chart, and to develop the outline for a potential magazine publishing certificate course.

But perhaps the most exciting work we have undertaken this past year with the magazine industry is the development of four online courses on the digitization of the editorial, advertising, production and circulation functions of the industry. These will be piloted in the fall. Their early beta versions are getting excellent feedback. We are confident they will be valuable resources for magazine publishers throughout the country (particularly in locations far removed from the large centres), who must adapt to the digitization of their whole industry.

CHRC has also been piloting workshops in other cultural industries. While delivering solid industry-developed content, we are experimenting with ways and means to reach the most people in the most effective manner, including combinations of face-to-face and on-line delivery.

- For film and television producers we are preparing workshops on business skills, to be delivered in the fall, *“to develop skills which shift the focus from project management and producing to corporate visioning and leadership”*.
- We engaged John Gaskin, one of Canada's most experienced production accountants and teachers, to present a 3-day workshop on production accounting in collaboration with WIFT.
- We have presented rights management workshops for the music industry with veteran music publisher Jodie Ferneyhough, which include an online component and a face-to-face session.
- Finally, we are developing course content and workshop material to teach project management skills to digital media producers.

Through these pilots, CHRC will add to its suite of valuable training offerings already available through its site. Upcoming activities in 2011/2012 will strengthen our collaboration with education institutions and training providers to encourage broad use of these resources in curriculum and course development and delivery.

CHRC staff are truly enthusiastic about these efforts, but what we value most is the engagement of artists, workers and employers in our work. We are doing it for you and with you. That collaboration is the key to our success!

Susan Annis
EXECUTIVE DIRECTOR

CULTURAL HUMAN RESOURCES COUNCIL
FINANCIAL STATEMENTS
MARCH 31, 2011

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PARKER PRINS LEBANO
Chartered Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members of:

CULTURAL HUMAN RESOURCES COUNCIL

Report on the Financial Statements

We have audited the accompanying financial statements of CULTURAL HUMAN RESOURCES COUNCIL, which comprise the Statement of Financial Position as at March 31, 2011, and the Statements Of Operations and Changes in Net Assets 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 generally accepted accounting principles, 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 CULTURAL HUMAN RESOURCES COUNCIL as at March 31, 2011, and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

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

Ottawa, Ontario
June 14, 2011

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash	\$ 155,734	\$ 99,559
Accounts receivable	150,978	119,570
Prepaid expenses	<u>7,306</u>	<u>5,589</u>
	314,018	224,718
 LONG-TERM INVESTMENTS (Note 3)	 216,877	 302,706
 CAPITAL ASSETS (Note 4)	 <u>524</u>	 <u>749</u>
	\$ 531,419	\$ 528,173
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 34,185	\$ 43,517
Committed funds (Note 5)	106,255	112,741
Deferred revenue	<u>22,550</u>	<u>18,171</u>
	162,990	174,429
 NET ASSETS		
Invested in capital assets	524	749
Unrestricted	<u>367,905</u>	<u>352,995</u>
	368,429	353,744
	\$ 531,419	\$ 528,173

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
REVENUE (Schedule 1)	<u>\$ 2,064,383</u>	<u>\$ 1,602,075</u>
EXPENSES		
Amortization	225	320
Bad debts	-	189
Bank charges	3,349	3,064
Communications and marketing	28,805	18,511
Furniture, equipment and rentals	23,779	19,854
Insurance	6,449	4,505
Internship programs	590,371	436,275
Legal, accounting and audit	8,000	14,900
Occupancy and storage costs	64,515	61,570
Office supplies	27,301	22,364
Postage and courier	6,647	6,947
Printing and translation	58,041	45,777
Professional fees	487,378	275,647
Salaries, benefits and casual wages	422,606	371,902
Telecommunications	23,078	21,959
Travel and accommodation	298,131	237,972
Website redesign and development	<u>1,023</u>	<u>60,191</u>
	<u>2,049,698</u>	<u>1,601,947</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u><u>\$ 14,685</u></u>	<u><u>\$ 128</u></u>

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2011

	<u>Invested In Capital Assets</u>	<u>Unrestricted</u>	<u>2011</u>	<u>2010</u>
NET ASSETS				
BALANCE, BEGINNING OF YEAR	\$ 749	\$ 352,995	\$ 353,744	\$ 353,616
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>(225)</u>	<u>14,910</u>	<u>14,685</u>	<u>128</u>
BALANCE, END OF YEAR	<u>\$ 524</u>	<u>\$ 367,905</u>	<u>\$ 368,429</u>	<u>\$ 353,744</u>

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

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

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 generally accepted accounting principles 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.

FINANCIAL ASSETS AND LIABILITIES

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value. Subsequently, financial assets and liabilities are measured and recognized as follows:

Held-for-trading financial assets and liabilities

Cash is classified as held-for-trading financial assets. It is measured at fair value and changes in fair value are recognized in the Statement Of Operations.

Available-for-sale financial assets

Short-term and long-term investments are classified as available-for-sale financial assets. They are measured at fair value and changes in fair value are recognized in the Statement Of Changes In Net Assets until these gains or losses are realized or a decline in value of the financial assets is other than temporary.

Loans and receivables and other financial liabilities

Accounts receivable is classified as loans receivable. It is measured at amortized cost using the effective interest method, less any impairments. Any changes in fair value are recognized in the Statement Of Operations. Accounts payable and accrued liabilities are classified as other financial liabilities. They are valued at amortized cost using the effective interest method.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2011

2. ACCOUNTING POLICIES (continued)

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 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 Guaranteed Investment Certificates bearing interest between 1.05% and 3.05% (0.50% to 4.25% - 2010) and maturing between September 2011 and August 2013.

4. CAPITAL ASSETS

	2011		2010
	Cost	Accumulated Amortization	Net Book Value
Computer hardware	\$ 9,297	\$ 8,773	\$ 524
			\$ 749

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2011

5. COMMITTED FUNDS

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

	<u>2011</u>	<u>2010</u>
HRSDC		
Balance, beginning of year	\$ 60,586	\$ 8,599
Contributions	1,857,537	1,254,143
Expenditures	<u>(1,864,240)</u>	<u>(1,202,156)</u>
Balance, end of year	<u>53,883</u>	<u>60,586</u>
DCH		
Balance, beginning of year	52,155	78,402
Contributions	172,675	185,414
Expenditures	<u>(172,458)</u>	<u>(211,661)</u>
Balance, end of year	<u>52,372</u>	<u>52,155</u>
Total balance, end of year	<u>\$ 106,255</u>	<u>\$ 112,741</u>

Committed funds represent excess funding over expenses in the various programs for the year ending March 31, 2011. According to the various funding agreements, these amounts can be carried forward to the subsequent fiscal period, except for agreements ending in the current fiscal period or for unspent funds which are returned to the funder.

6. CREDIT FACILITY

The Council has an authorized credit facility in the amount of \$50,000 which was not utilized as at March 31, 2011 and March 31, 2010. This facility which bears interest at the bank prime rate plus 1% (2010 - 1%) is secured by a general security agreement.

7. COMMITMENTS

The Council has future minimum operating lease commitments for office space and office equipment expiring between June 2012 and October 2013 which require lease payments of \$95,521. The minimum lease payments for the next three fiscal years are \$75,602 in 2012, \$18,738 in 2013 and \$1,179 in 2014.

8. ECONOMIC DEPENDENCE

The Council's operations are significantly funded by contributions from HRSDC.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2011

9. 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.

10. STATEMENT OF CASH FLOWS

No Statement Of Cash Flows has been presented since principal operating, investing and financing activities may be readily apparent from the other financial statements and presenting such a statement would provide no additional information.

CULTURAL HUMAN RESOURCES COUNCIL

SCHEDULE OF REVENUES - Schedule 1

MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
OPERATING		
Infrastructure agreement (7667959)	<u>\$ 508,329</u>	<u>\$ 480,725</u>
ANCILLARY AGREEMENTS		
<i>Transition from school to work programs</i>		
National Arts Training Contribution Program - DCH	172,675	174,493
Sectoral Youth Career Focus Program - HRSDC	488,410	260,699
<i>Industry strategy development</i>		
Impact of Digital Media	254,166	-
Cultural Industries Training Strategies 2	-	42,602
<i>Human resources strategies</i>		
Cultural Sector Human Resources Study	259,697	353,797
<i>Occupational analysis and promotion</i>		
Professional Standard for Riggers and Stage Technicians	19,790	34,800
Magazine Industries Human Resources Issues	223,223	-
<i>Course content development</i>		
Learning Resources	20,255	107,919
Pilot Workshop	81,023	-
	<u>1,519,239</u>	<u>974,310</u>
SELF-GENERATED		
Grants	-	56,602
Interest and other	7,318	6,400
Membership fees	26,831	24,410
Sales of products and services	2,666	59,628
	<u>36,815</u>	<u>147,040</u>
	<u>\$ 2,064,383</u>	<u>\$ 1,602,075</u>