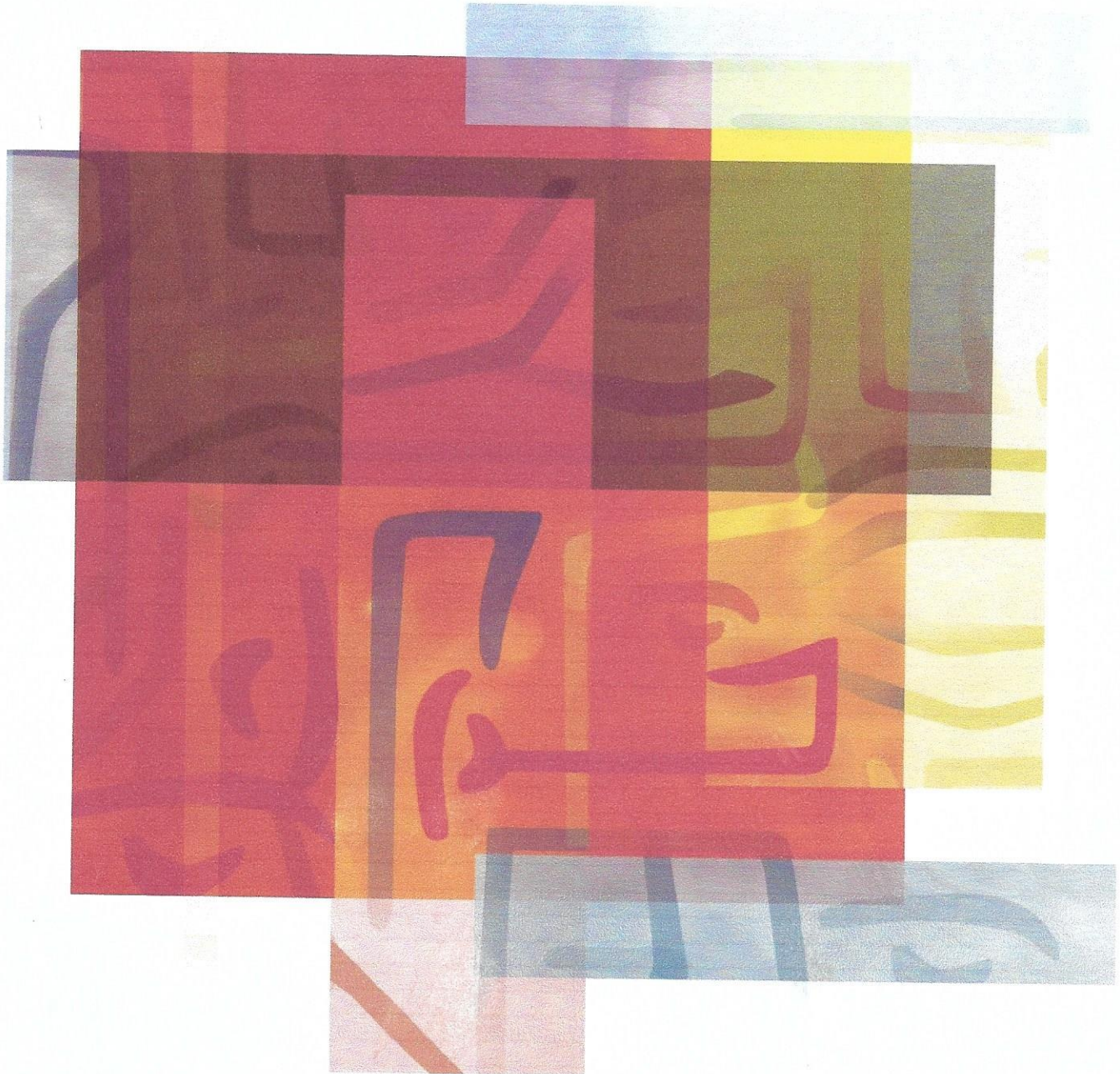




Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel



2015 - 2016 ANNUAL REPORT

PRESIDENT'S REPORT – *Annual General Meeting 2016*
Richard Hornsby

Like many across the cultural sector, CHRC welcomed the “winds of change” that blew through the country after the last federal election. The new support for culture announced by the Trudeau government is both financial and philosophical. It is encouraging.

As the only national cultural organization that represents the full gamut of the sector, and as the only national voice on cultural HR issues, CHRC continues to fulfil its unique role in the cultural infrastructure of this country.

We are grateful for the ongoing support from our members in all categories: Organization Plus, Organization and Individual. You are our *raison d'être* and our backbone. We would not exist without you. Apart from the modest savings on our products that you can realize as members, you recognize the importance of a national voice of the sector and for the sector (that is not government). You understand the importance of putting a focus on training, professional development and mentorship in key areas such as entrepreneurship, HR management, and the business side of managing your own career – issues that you and your own members face daily.

One of the very strong threads that runs through our national cultural fabric is PATAAC – CHRC's Provincial and Territorial Advisory Committee. Our “PATAACians” are cultural leaders who are not just supportive but groundbreaking at the provincial/territorial level. PATAAC has been particularly important to us in New Brunswick as we have been working for many years to create the recently launched New Brunswick Cultural HR Council, CulturePlus. We have found the support of our provincial partners, particularly from Quebec, to be wise, practical and encouraging. We were able to succeed with this bold move because we had the examples and advice of others who have been through this process with varying results before us.

The steady bright lights in our CHRC constellation continue to be our website, our products, our national job board Cultureworks.ca, our membership in the national Consortium on Cultural Statistics, and the Young Canada Works Building Careers in Heritage internship program we administer on behalf of the Department of Canadian Heritage. Our dedicated Board members from across the sector and the country continue to guide CHRC. They have generously agreed to remain at their posts through CHRC's move away from ESDC operational Sector Council Program funding. Board renewal will begin in earnest in 2016/2017.

Our dedicated staff is the engine that keeps the wheels running. We thank and praise them – Susan, Lucie, Erma and Michael - for their tireless efforts on your behalf.

It's a pleasure and a privilege to be at the helm of this vital organization.

Richard Hornsby
President

EXECUTIVE DIRECTOR'S REPORT – Annual General Meeting 2016

Susan Annis

Dear Members and Colleagues,

Much of CHRC's attention this year has been directed to our three-pronged project to 1) develop a workshop for Aboriginal artists based on CHRC's *The Art of Managing Your Career (TAMYC)*; 2) revise the TAMYC discipline enhancements to include Aboriginal content and POV; and 3) train a cohort of Aboriginal trainers from across the country to teach the workshop to their people, in their communities.

It was immensely satisfying to watch this project take shape under the careful hand and eye of the incomparable France Trépanier who penned and delivered the workshop content; and designed 137 slides to accompany the text, which are in themselves mini works of art. The Steering Committee, including senior First Nations, Métis and Inuit artists who guided the project, ensured that the workshop rings with authenticity and is true to Aboriginal values and points of view.

The revisions to the 8 TAMYC discipline enhancements by Aboriginal artists, to include Aboriginal content and POV, were also reviewed by Aboriginal artists. CHRC was proud to release the third edition of these popular career guides in late 2015.

But the heart of all this activity was the pilot workshop to train Aboriginal trainers from across the country. A special bond was created among these young people who are carrying their learnings from coast to coast to coast. Thank you again to the Counselling Foundation of Canada for their generous contribution, and to several other "partners" including the Government of British Columbia, the Edmonton Arts Council, the Saskatchewan Arts Board, SaskCulture, ACI Manitoba, Miziwe Biik in Ontario, JEDI (Joint Economic Development Initiative Inc.) in New Brunswick, the Yukon government and the NWT government.

With other projects on the go such as Building Careers in Heritage, a youth internship program which we administer on behalf of DCH, and a workshop to teach HR skills to senior music industry executives, CHRC has kept its oar in the water.

However, much time and energy have been devoted to developing new projects, 2 of which were announced in early April and are poised to fill our agenda for the coming year. *Talent to Lead: succession in the cultural sector* is a major initiative to help address the chronic succession challenge in the sector. It will include updating CHRC's *HR Management Toolkit* with a new chapter on succession and creating webinars to enhance them; and organizing mentorships between talented mid-career managers and senior cultural leaders from across the country to help bridge the gap that frustrates dynamic mid-career managers and worries retiring senior managers.

The other is a Work Experience project that we are administering on behalf of ESDC. It is akin to an internship project but the employer is really engaging the youth for the long term.

We have an experienced and devoted team at work to serve you, with Lucie D'Aoust our senior Project Manager, Erma Barnett our Finance Officer, and Michael Lechasseur our Webmaster. A small but mighty force, looking forward to another fruitful year with you and for you, our members!

Thank you for your support!

Susan Annis
Executive Director



PARKER PRINS LEBANO

Chartered Professional Accountants

Professional Corporation

INDEPENDENT AUDITORS' REPORT

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, 2016, 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, 2016, 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 Human Resources and Skills Development Canada (HRSDC), and thus raises substantial doubt about the organization's ability to continue as a going concern.

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

Ottawa, Ontario
June 20, 2016

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Cash	\$ 60,113	\$ 54,400
Accounts receivable	29,100	84,342
GST/HST receivable	2,090	628
Prepaid expenses	<u>1,721</u>	<u>823</u>
	93,024	140,193
LONG-TERM INVESTMENTS (Note 3)	-	84,773
CAPITAL ASSETS (Note 4)	<u>372</u>	<u>531</u>
	<u>\$ 93,396</u>	<u>\$ 225,497</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,487	\$ 21,349
Source deductions payable	3,278	2,201
Deferred revenue	<u>13,071</u>	<u>52,492</u>
	<u>29,836</u>	<u>76,042</u>
NET ASSETS		
Invested in capital assets	372	531
Unrestricted	<u>63,188</u>	<u>148,924</u>
	<u>63,560</u>	<u>149,455</u>
	<u>\$ 93,396</u>	<u>\$ 225,497</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE (Note 5 and Schedule 1)	\$ 335,698	\$ 255,815
EXPENDITURE		
Amortization	159	406
Bad debts	-	2,012
Bank charges	1,547	1,405
Communications and translation	41,783	4,367
Furniture, equipment and rentals	1,040	705
Insurance	2,827	3,125
Internship programs	148,356	146,850
Legal, accounting and audit	7,000	5,592
Occupancy and storage costs	3,255	20,104
Office supplies	2,857	4,099
Postage and courier	673	1,453
Printing	204	1,268
Professional fees	54,163	15,350
Salaries, benefits and casual wages	126,636	169,016
Telecommunications	5,954	9,212
Travel and accommodation	24,269	27,948
Website redesign and development	870	3,127
	<u>421,593</u>	<u>416,039</u>
DEFICIENCY OF REVENUE OVER EXPENDITURE	\$ (85,895)	\$ (160,224)

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

	Invested In Capital Assets	Unrestricted	2016	2015
NET ASSETS				
BALANCE, BEGINNING OF YEAR	\$ 531	\$ 148,924	\$ 149,455	\$ 309,679
DEFICIENCY OF REVENUE OVER EXPENDITURE	<u>(159)</u>	<u>(85,736)</u>	<u>(85,895)</u>	<u>(160,224)</u>
BALANCE, END OF YEAR	<u>\$ 372</u>	<u>\$ 63,188</u>	<u>\$ 63,560</u>	<u>\$ 149,455</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Deficiency of revenue over expenditure for the year	\$ (85,895)	\$ (160,224)
Items not requiring an outlay of cash:		
Amortization	<u>159</u>	<u>406</u>
	(85,736)	(159,818)
Net change to non-cash items related to operations:		
Accounts receivable	55,242	(63,422)
GST/HST receivable	(1,462)	15,025
Prepaid expenses	(898)	(342)
Accounts payable and accrued liabilities	(7,862)	18,099
Source deductions payable	1,077	(747)
Deferred revenue	<u>(39,421)</u>	<u>34,071</u>
	<u>(79,060)</u>	<u>(157,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments, net	<u>84,773</u>	<u>212,849</u>
NET INCREASE IN CASH	5,713	55,715
CASH (BANK INDEBTEDNESS), BEGINNING OF YEAR	<u>54,400</u>	<u>(1,315)</u>
CASH, END OF YEAR	<u>\$ 60,113</u>	<u>\$ 54,400</u>

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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 (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.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2016

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 consisted of a Guaranteed Investment Certificate (GIC) bearing an interest rate of 0.75% and matured in January 2016. The GIC was not subsequently renewed.

4. CAPITAL ASSETS

	2016		2015
	Cost	Accumulated Amortization	Net Book Value
Computer hardware	\$ 1,819	\$ 1,447	\$ 372
			\$ 531

5. COMMITTED FUNDS

Funds from the Department of Canadian Heritage (DCH):

	2016	2015
Balance, beginning of year	\$ -	\$ -
Contributions	176,000	176,000
Expenditures	(176,000)	(176,000)
Balance, end of year	\$ -	\$ -

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2016

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, 2016

	<u>2016</u>	<u>2015</u>
ANCILLARY AGREEMENTS		
<i>Transition from school to work programs</i>		
National Arts Training Contribution Program - DCH	<u>\$ 176,000</u>	<u>\$ 176,000</u>
SELF-GENERATED		
Grants	116,009	31,491
Interest and other	537	2,975
Membership fees	22,343	27,038
Sales of products and services	<u>20,809</u>	<u>18,311</u>
	<u>159,698</u>	<u>79,815</u>
	<u>\$ 335,698</u>	<u>\$ 255,815</u>