



2009 • 2010 ANNUAL REPORT



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel

PRESIDENT'S REPORT — *Annual General Meeting 2010*

As I come to the close of my first year as Chair - seems like so much longer - I am encouraged at the amount that has been accomplished. This small but mighty organization has responded admirably to the challenges within the sector and set the stage for even more activity in the months ahead.

The largest single activity that CHRC has been engaged in over 2009/2010 is the Cultural Sector HR Study. Working closely with the consultants at the Conference Board of Canada, with our dedicated HR Study Steering Committee of cultural leaders, and of course with employers and workers throughout the sector and across the country, we have compiled a rich and valuable Labour Market Information Report (the first ever for the cultural sector); and we are about to release a major HR Trends and Issues Report which has drawn from expert interviews, focus groups and thousands of survey respondents over the past 6 months.

Both the LMI Report and the HR Trends and Issues Report will have recommendations which will guide CHRC and other sector stakeholders and partners in strategic planning and undertakings in the coming years. A once-in-a-decade exercise that we have maximized for the good of the cultural sector across the country.

CHRC has also been very engaged with the cultural industries through other projects: for example, developing set safety and set etiquette course content with the film and television industry; delivering marketing workshops to the music industry; establishing proficiency levels for theatre technicians in the live performing arts; and building a compendium of hubs for digital media content creation.

CHRC's Board members have been strong in their commitment to these CHRC activities over the course of the year. They have represented their constituents well at the Board table and in our projects. They are the strength of our sector council's leadership on HR issues and the reason for its success.

Kevin Hanson
PRESIDENT

My deep thanks go to departing Board members Ron Lamoureux, who has passionately represented the interests of digital media content creators over 9 years on the Board; George Blondheim, whose skill and knowledge of the music industry has maintained CHRC at the cutting edge of the issues; and Barb Nepinak who has so ably spoken up for the needs of aboriginal artists and cultural workers over the past 6 years. Thank you all for incredible commitment over the years!

I am looking forward with anticipation to building on the work we have accomplished this year, in an ongoing spirit of collaboration with all our sector partners.

EXECUTIVE DIRECTOR'S REPORT — *Annual General Meeting 2010*

Looking back over 2009/2010....

The underlying theme of this past year has been work on the HR Study: through Board sessions, Steering Committee meetings, focus groups, a massive survey - reads and re-reads of drafts from the consultants at the Conference Board of Canada as they craft the Labour Market Information report and the HR Trends and Issues report. The process will peak at the HR Roundtable just prior to the AGM. We'll have a good idea, after that final review, of the depth and extent of the reports' findings, and the value of the recommendations as stepping stones for future strategies and activities.

It has been an exhaustive and rich process which will benefit the sector for years to come.

Other highlights of the past year include the delivery of pilot workshops on Marketing in the Music industry; and on Set Safety and Set Etiquette in the Film and Television industry; and the convening of the National Training Advisory Councils for both these industries. Meeting workers and employers from across the country through the workshops and NTACs provided CHRC with firsthand knowledge of the HR challenges they are facing and how CHRC can help bring solutions to bear.

We were delighted to work with the Canadian Institute for Theatre Technology to develop proficiency levels for Stage Technicians and Entertainment Riggers – another step in a long process and partnership which has contributed significantly to a greater understanding of the competency requirements and training gaps for theatre technicians in the live performing arts.

On another front, CHRC undertook a first follow up step to the Technology Roadmap for Digital Media Content Creation when we developed a Compendium of Hubs for Digital Media Content Creation. This will be a valuable tool as we move forward in our efforts to nurture a collaborative environment for DM content creation across the country.

Of course the Youth Internships offered through Career Focus and Building Careers in Heritage continue to be among CHRC's most popular offerings. We are especially pleased to have these programs in place for the next two years.

Other initiatives over the past year have included:

- Creating teaching modules for The Art of Managing Your Career
- Developing an assessment of the impact of the new EI legislation on self-employed artists and cultural workers
- Maintaining a Screen-based Media Training Database

Above all we want to thank you, our partners in the sector, for all your support throughout the year.

Susan Annis
EXECUTIVE DIRECTOR

CULTURAL HUMAN RESOURCES COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2010

CONTENTS

AUDITORS' REPORT

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF OPERATIONS

STATEMENT OF CHANGES IN NET ASSETS

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF REVENUES

2

3

4

5

9



PARKER PRINS LEBANO
Chartered Accountants
Professional Corporation

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, 2010 and the statements 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, 2010 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink, reading 'Parker Prins Lebano'.

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

Ottawa, Ontario
May 13, 2010

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT		
Cash	\$ 99,559	\$ 341,288
Accounts receivable	119,570	59,402
Prepaid expenses	<u>5,589</u>	<u>5,450</u>
	224,718	406,140
LONG-TERM INVESTMENTS (Note 3)	302,706	269,419
CAPITAL ASSETS (Note 4)	<u>749</u>	<u>1,069</u>
	<u>\$ 528,173</u>	<u>\$ 676,628</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 43,517	\$ 218,385
Committed funds (Note 5)	112,741	87,001
Deferred revenue	<u>18,171</u>	<u>17,626</u>
	<u>174,429</u>	<u>323,012</u>
NET ASSETS		
Invested in capital assets	749	1,069
Unrestricted	<u>352,995</u>	<u>352,547</u>
	<u>353,744</u>	<u>353,616</u>
	<u>\$ 528,173</u>	<u>\$ 676,628</u>

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
REVENUE (Schedule 1)	\$ 1,602,075	\$ 1,779,507
EXPENSES		
Amortization	320	458
Bad debts	189	84
Bank charges	3,064	3,047
Communications and marketing	18,511	30,997
Furniture, equipment and rentals	19,854	23,623
Insurance	4,505	4,450
Internship programs	436,275	348,002
Legal, accounting and audit	14,900	13,900
Occupancy and storage costs	61,570	59,053
Office supplies	22,364	27,922
Postage and courier	6,947	6,672
Printing and translation	45,777	139,545
Professional fees	275,647	334,883
Salaries, benefits and casual wages	371,902	383,664
Telecommunications	21,959	18,891
Travel and accommodation	237,972	326,074
Website redesign and development	60,191	10,727
	<u>1,601,947</u>	<u>1,731,992</u>
EXCESS OF REVENUE OVER EXPENDITURES	\$ 128	\$ 47,515

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2010

	<u>Invested In Capital Assets</u>	<u>Unrestricted</u>	<u>2010</u>	<u>2009</u>
NET ASSETS				
BALANCE, BEGINNING OF YEAR	\$ 1,069	\$ 352,547	\$ 353,616	\$ 306,101
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>(320)</u>	<u>448</u>	<u>128</u>	<u>47,515</u>
BALANCE, END OF YEAR	<u>\$ 749</u>	<u>\$ 352,995</u>	<u>\$ 353,744</u>	<u>\$ 353,616</u>

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

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, 2010

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 0.50% and 4.25% (1.60% to 4.86% - 2009) and maturing between April 2010 and September 2011.

4. CAPITAL ASSETS

	2010		2009
	Cost	Accumulated Amortization	Net Book Value
Computer hardware	<u>\$ 9,297</u>	<u>\$ 8,548</u>	<u>\$ 749</u>
			<u>\$ 1,069</u>

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2010

5. COMMITTED FUNDS

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

	<u>2010</u>	<u>2009</u>
HRSDC		
Balance, beginning of year	\$ 8,599	\$ 213,737
Contributions received	1,254,143	1,236,124
Expenditures incurred	<u>(1,202,156)</u>	<u>(1,441,262)</u>
Balance, end of year	<u>60,586</u>	<u>8,599</u>
DCH		
Balance, beginning of year	78,402	78,402
Contributions received	185,414	158,400
Expenditures incurred	<u>(211,661)</u>	<u>(158,400)</u>
Balance, end of year	<u>52,155</u>	<u>78,402</u>
Total balance, end of year	<u>\$ 112,741</u>	<u>\$ 87,001</u>

Committed funds represent excess funding over expenses in the various programs for the year ending March 31, 2010. 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. As at March 31, 2010 an amount of \$112,741 (2009 - \$87,001) is required to be repaid 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, 2010 and March 31, 2009. This facility which bears interest at the bank prime rate plus 1% (2009 - 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 2010 and October 2011 which require lease payments of \$26,022. The minimum lease payments for the next two years are \$23,306 in 2011, and \$2,717 in 2012. The office space lease renews on an annual basis.

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, 2010

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.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current financial statement presentation. The comparative figures have been audited by another accounting firm.

CULTURAL HUMAN RESOURCES COUNCIL

SCHEDULE OF REVENUES - Schedule 1

MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
OPERATING		
Infrastructure agreement (4617965)	\$ -	\$ 469,260
Infrastructure agreement (7667959)	<u>480,725</u>	<u>-</u>
	<u>480,725</u>	<u>469,260</u>
 ANCILLARY AGREEMENTS		
<i>Transition from school to work programs</i>		
National Arts Training Contribution Program - DCH	174,493	164,478
Sectoral Youth Career Focus Program - HRSDC	260,699	243,231
Mentoring Youth In Culture - HRSDC	-	(801)
 <i>Industry strategy development</i>		
Cultural Industries Training Strategies	-	125,663
Cultural Industries Training Strategies 2	42,602	563,530
New Media Technology Roadmap	-	91,294
 <i>Human resources strategies</i>		
Cultural Sector Human Resources Study	353,797	3,226
 <i>Occupational analysis and promotion</i>		
Professional Standard for Riggers and Stage Technicians	34,800	-
 <i>Course content development</i>		
Learning Resources	<u>107,919</u>	<u>-</u>
	<u>974,310</u>	<u>1,190,621</u>
 SELF-GENERATED		
Grants	56,602	79,500
Interest and other	6,400	10,115
Membership fees	24,410	26,920
Sales of products and services	<u>59,628</u>	<u>3,091</u>
	<u>147,040</u>	<u>119,626</u>
	<u>\$ 1,602,075</u>	<u>\$ 1,779,507</u>