



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel



2022-2023

ANNUAL
REPORT

CO-CHAIRS' REPORT – Annual General Meeting 2023

Dear CHRC Members,

Much of the cultural sector is still experiencing a slow recovery from the pandemic and we are dealing with a number of other economic factors that adversely affect our workforce. Despite that, we can collectively be proud that we have weathered the worst of the storm and the resilience and dedication that cultural workers have always demonstrated is still strong!

CHRC had a remarkable year's worth of activity and we, the Co-Chairs, are happy to report to the membership on the organization's successes through the AGM and the Annual Report.

We would like to begin with a word of thanks to our funders, Employment and Social Development Canada, the Department of Canadian Heritage, the Canada Council for the Arts and the Ontario Arts Council. Also, a word of thanks to the numerous organizations and individuals who compose our membership and believe in the work of our organization.

2022-2023 was also a year during which CHRC took stock of its own position in the larger ecosystem through dedication to completing and beginning to implement our new Strategic Plan. One of the aspects of the re-evaluation was CHRC re-affirming its mandate in support of the root of all of Canadian cultural endeavours: its people.

Moving forward, CHRC continues its work in service to our beliefs that:

- The cultural sector is a national resource for Canada that needs to be nurtured and protected for the public good;
- We value Canada's rich diversity of communities and practices in arts & culture; and that,
- Those who work in the cultural sector for the benefit of all deserve a healthy and safe environment.

We thank our colleagues on the Board of Directors for their diligent participation in keeping CHRC engaged in the national discourse and relevant to the changing nature of the cultural sector. Last but not least, a word of thanks to CHRC's staff for their hard work that strengthens the cultural sector.

We look forward to another year of advocacy, networking, research and projects *dedicated to the well-being of the human factor in Canada's diverse professional community and strive to be the first place to go for human resources solutions and thought leadership.*

Kind regards to all,

Janis Lundman & Richard Hornsby
Co-Chairs of the Board of Directors, CHRC

EXECUTIVE DIRECTOR'S REPORT – Annual General Meeting 2023

Dear Members,

We proudly present our 2022-2023 year of project activity!

The Department of Canadian Heritage's Young Canada Works program (YCW) subsidized \$246,868 in wages support for 24 recent post-secondary graduate internships. This year was the second during which CHRC delivered the Student Work Placement (SWP) Program for Employment and Social Development Canada. 204 student internships were subsidized with over \$907,637 in financial support. We recognize and appreciate our funders for these contributions!

The Art of Managing Your Career (TAMYC) update project, funded by the Canada Council for the Arts allowed CHRC to deliver 14 of the total 18 presentations to students in 11 of 13 Provinces and Territories to strengthen students and early-stage artists career development and market integration. This project continues till March 2024 with the delivery of another 20 presentations on campuses across the country. Universities and colleges are encouraged to sign up fast and host a presentation while they are still available.

The Ontario Arts Council funding has helped CHRC continue its work on Inclusion, Diversity, Equity & Accessibility (IDEA). This has been an area of focus for CHRC's Cross-Sectoral Recovery Roundtables (CSRR) as we bring *Belonging* into the HR Management Toolkit. Thank you to Jane Needles for your continued involvement as an advisor and we look forward to a new round of discussions prior to the project's sunset in September of 2023.

Creative City Network of Canada's (CCNC) Cultural Resilience: Using Innovation to Stabilize in Times of Crisis project launched the Phase II presentations in earnest. The professional development material commissioned by CCNC and created by CHRC was delivered on 15 occasions in-person or online, in either French or English across the country.

Renewed thanks to all of our funders, partners and collaborators, not the least of which is our beloved Provincial and Territorial Advisory Committee (PATAC) that gathers to share information and advocacy efforts for our sector. However, none of this is possible without the CHRC team: Frédérique Coulaud, Audrey Séguin and Tabassom Momtaheni were with us in the first half of 2022-2023 but have moved on to other opportunities and we wish them the best; Michael Lechasseur, Sofia Downing and Honorine Muhirwa are still with us and welcomed Kevin Gorchakov and Birane Wane in 2023. To all of you and to our Board members: we can't thank you enough!

Together, let's make 2023-2024 another mighty year.

Kind regards,

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

CULTURAL HUMAN RESOURCES COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2023

CONTENTS

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF OPERATIONS	4
STATEMENT OF CHANGES IN NET ASSETS	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7
SCHEDULE OF REVENUES	10



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, 2023, 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, 2023, 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
January 18, 2024

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT		
Cash	\$ 1,459,685	\$ 2,302,593
Accounts receivable	24,944	12,513
GST/HST receivable	<u>14,124</u>	<u>10,293</u>
	1,498,753	2,325,399
CAPITAL ASSETS (note 3)	<u>53</u>	<u>118</u>
	<u>\$ 1,498,806</u>	<u>\$ 2,325,517</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 526,075	\$ 1,372,604
Source deductions payable	-	7,958
Committed funds (note 4)	791,850	788,938
Deferred revenue	8,917	13,530
Current portion of long-term debt (note 5)	<u>40,000</u>	<u>-</u>
	1,366,842	2,183,030
LONG-TERM DEBT (note 5)	<u>-</u>	<u>40,000</u>
	<u>1,366,842</u>	<u>2,223,030</u>
NET ASSETS		
Invested in capital assets	53	118
Unrestricted	<u>131,911</u>	<u>102,369</u>
	<u>131,964</u>	<u>102,487</u>
	<u>\$ 1,498,806</u>	<u>\$ 2,325,517</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE (note 4; schedule 1)	\$ 1,549,227	\$ 2,510,885
EXPENDITURE		
Amortization	65	145
Bank charges	4,452	3,538
Communications and translation	11,836	33,969
Insurance	4,186	4,240
Internship programs	1,154,236	1,998,123
Legal, accounting and audit	17,738	41,234
Occupancy and storage costs	4,568	3,447
Office supplies	3,609	8,198
Postage and courier	265	85
Professional fees	26,200	76,935
Salaries, benefits and casual wages	240,313	246,174
Telecommunications	8,017	8,236
Travel and accommodation	<u>44,265</u>	<u>45,419</u>
	<u>1,519,750</u>	<u>2,469,743</u>
EXCESS OF REVENUE OVER EXPENDITURE	\$ <u>29,477</u>	\$ <u>41,142</u>

CULTURAL HUMAN RESOURCES COUNCIL

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2023

	<u>Invested In Capital Assets</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
NET ASSETS				
BALANCE, BEGINNING OF YEAR	\$ 118	\$ 102,369	\$ 102,487	\$ 61,345
EXCESS OF REVENUE OVER EXPENDITURE	<u>(65)</u>	<u>29,542</u>	<u>29,477</u>	<u>41,142</u>
BALANCE, END OF YEAR	<u>\$ 53</u>	<u>\$ 131,911</u>	<u>\$ 131,964</u>	<u>\$ 102,487</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	\$ 29,477	\$ 41,142
Items not requiring an outlay of cash:		
Amortization	<u>65</u>	<u>145</u>
	29,542	41,287
Net change to non-cash items related to operations:		
Accounts receivable	(12,431)	3,720
GST/HST receivable	(3,831)	(4,137)
Accounts payable and accrued liabilities	(846,529)	1,367,967
Source deductions payable	(7,958)	7,602
Committed funds	2,912	639,742
Deferred revenue	<u>(4,613)</u>	<u>(7,825)</u>
	<u>(842,908)</u>	<u>2,048,356</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt	<u>-</u>	<u>40,000</u>
NET (DECREASE) INCREASE IN CASH	(842,908)	2,088,356
CASH, BEGINNING OF YEAR	<u>2,302,593</u>	<u>214,237</u>
CASH, END OF YEAR	<u><u>\$ 1,459,685</u></u>	<u><u>\$ 2,302,593</u></u>

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

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, 2023

3. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 1,792	\$ 1,739	\$ 53	\$ 118

4. COMMITTED FUNDS

	2023	2022
Canadian Heritage		
Balance, beginning of year	\$ 18,972	\$ 72,924
Contributions	275,000	1,128,131
Expenditures	(293,972)	(1,153,871)
Repayable amount	-	(28,212)
Balance, end of year	-	18,972
Canada Council for the Arts		
Balance, beginning of year	62,701	76,273
Contributions	-	-
Expenditures	(25,736)	(13,572)
Balance, end of year	36,965	62,701
Employment and Social Development Canada		
Balance, beginning of year	691,426	-
Contributions	1,200,622	1,976,061
Expenditures	(1,147,492)	(1,284,635)
Balance, end of year	744,556	691,426
Ontario Arts Council		
Balance, beginning of year	15,839	-
Contributions	-	28,500
Expenditures	(5,510)	(12,661)
Balance, end of year	10,329	15,839
Total balance, end of year	\$ 791,850	\$ 788,938

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2023

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%. Subsequent to year end, the Council repaid the non-forgivable CEBA balance of \$30,000 resulting in loan forgiveness in the amount of \$10,000.

6. 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, 2023

	<u>2023</u>	<u>2022</u>
ANCILLARY AGREEMENTS		
<i>YCW - Building Careers in Heritage</i> Canadian Heritage	\$ 293,971	\$ 1,086,181
<i>Student Work Placement Program</i> Employment and Social Development Canada	1,147,492	1,284,635
<i>Respectful workplaces in the arts</i> Canadian Heritage	-	67,690
<i>The Art of Managing Your Career</i> Canadian Council for the Arts	25,736	13,572
<i>Cross-Sectoral Recovery Roundtables</i> Ontario Arts Council	<u>5,510</u>	<u>12,661</u>
	<u>1,472,709</u>	<u>2,464,739</u>
SELF-GENERATED		
Interest and other	240	52
Membership fees	24,026	24,900
Sales of products and services (i)	<u>52,252</u>	<u>21,194</u>
	<u>76,518</u>	<u>46,146</u>
	<u>\$ 1,549,227</u>	<u>\$ 2,510,885</u>

(i) The increase in Sales of products and services is in large part due to a service contract with the Creative Cities Network of Canada for which the Council produced professional development material and delivered presentations.