

MOVING FORWARD: Summary of the Corporate Plan 2008-11

(Ce document est disponible en français.)



**Canada Council
for the Arts**

**Conseil des Arts
du Canada**

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MOVING FORWARD: Summary of the Corporate Plan 2008-11

“The Canada Council for the Arts exists to ensure that Canadian artists and citizens have a distinctive voice on the national and international stage.

“This voice is not singular. It expresses itself through a variety of traditions, practices and media, speaks in both official languages, and is grounded in the startling diversity of places that make up the second-largest country in the world. It tells stories as old as the First Peoples and as fresh as laughter, as elemental as a human heartbeat and as complex as the human spirit. To many, it is this voice that communicates what it means to be Canadian.”

Moving Forward, Strategic Plan 2008-11: Values and Directions, p. 1

The Planning Process

In January 2007, the Canada Council for the Arts launched a strategic planning exercise with the largest stakeholder consultation in its history. The purpose of these consultations was to provide a better reading of how its primary stakeholders view the Council, to assess the degree to which they support its underlying values and priorities, and to invite suggestions on how it might strengthen its performance going forward.

The outcome of these consultations informed a series of three planning documents, developed under the collective title *Moving Forward*. (http://www.canadacouncil.ca/aboutus/strat_plan/)

The first document in the *Moving Forward* series was the *Strategic Plan 2008-11: Values and Directions*, released in October 2007. The *Strategic Plan* sets out five broad directions that provide a clear strategic focus for the actions of the Council over the 2008-11 planning period.

The first three directions, addressing issues of individual artists, arts organizations and equity, establish organizing principles for the Council's support of the arts. The last two, addressing partnership and the Council's own organizational development, enhance the Council's capacity to incorporate and reflect change – demographic, attitudinal and technological change, and changes in arts practices and the public funding environment. They enhance the Council's capacity to respond to opportunities in the arts, engage with stakeholders and partners and contribute to Canadian life.

The second *Moving Forward* document was the *Action Plan 2008-11*, released in February 2008. Within the template of strategic directions established by the *Strategic Plan*, the *Action Plan* describes the specific program and operational strategies the Council is pursuing in allocating \$31,500,000 in new funds (\$30 million in ongoing funding beginning in 2008-09, from the Government of Canada, and an additional \$1.5 million from the Council's investment income).

The third *Moving Forward* document is the *Corporate Plan 2008-11*, which is a formal management and accountability reporting tool. The *Corporate Plan Summary* is posted on the Council's web site.

Both the Council's *Corporate Plan* and its *Corporate Plan Summary* reinforce the values and directions set out in the *Strategic Plan* and *Action Plan*. They also identify the performance indicators by which the Council will measure the outcomes of its initiatives in future years.

A primary vehicle for communicating the outcomes of the Council's strategic initiatives is its *Annual Report* (<http://www.canadacouncil.ca>). The *Annual Report* includes a Corporate Scorecard that provides a statistical bird's-eye view of activity over each of the past three years. (Because the Council's corporate planning process functions on a three-year cycle, the 2007-08 Scorecard reports on the outcomes of the *Corporate Plan 2005-08*.) The *Annual Report* is paired with *Funding to Artists and Arts Organizations: National Overview / Provincial and Territorial Profiles*, which lists, by province and territory, every grant made in the previous fiscal year, together with analytical tables and charts, highlights of grants in each province and territory. The list of the close to 800 peer assessors involved in the granting process each year is posted on the Council's web site. Taken together, the Annual Report and the Overview of Funding provide a highly detailed picture of the Council at work.

The Canada Council

Mandate

The mandate of the Council, as described in the *Canada Council for the Arts Act*, is “to foster and promote the study and enjoyment of, and the production of works in, the arts.”

Profile

The Council was founded as a Crown corporation in 1957 on the basis of recommendations made in the 1951 *Report of the Royal Commission on National Development in the Arts, Letters and Sciences*. The Commission was chaired by Vincent Massey, who later became the first Canadian-born governor general.

The Council reports to Parliament through the Minister of Canadian Heritage.

It is governed by an independent board consisting of a Chair, Vice-Chair and nine other board members from across Canada. Board members are appointed for fixed terms by the Governor in Council, on the recommendation of the federal Cabinet. The Director of the Council, who is its full-time chief executive officer, is also a Governor-in-Council appointee. At the beginning of 2008-09 the Council had an approved staffing level of 231.

Almost all of the Council’s revenues derive from the federal government. They include an annual parliamentary appropriation, which was \$182.5 million in 2007-08, and the income from a \$50 million operating endowment established by the Government in 1957 for the support of the Council.

The Canada Council provides grants to Canadian professional artists and arts organizations through competitive, merit-based programs in a wide variety of arts disciplines and arts practices. In 2007-08, grants totalled \$152 million.

The Council manages a number of private endowments supporting approximately 50 special prizes. It also administers the Canada Council Killam Fund, from which two-year research fellowships and career achievement prizes are awarded annually in the humanities, social sciences, health sciences, natural sciences and engineering. Awards totalled \$3.5 million in 2007-08.

The Canada Council Art Bank provides an art rental service to government and corporate clients. The Bank is operated on a cost-recovery basis.

The Canadian Commission for UNESCO and the Public Lending Right Commission (PLR) operate within the Council. The PLR program makes payments to authors to compensate for the use of their books in public libraries. These payments totalled \$9 million in 2007-08.

The Council strives to keep total administrative costs (general and program administration) below 14% of total revenues (12.6% in 2007-08).

In 2007-08, in its first special examination of the Canada Council for the Arts, the Office of the Auditor General of Canada found that “the Council’s systems and practices involved in grant

management, governance, strategic planning, performance measurement and reporting, and human resources management provide it with reasonable assurance that its assets are safeguarded and controlled, that its resources are managed economically and efficiently, and that its operations are carried out effectively.”

The Auditor General concluded that the Council’s systems and practices “had no significant deficiencies. In fact, the Canada Council’s systems and practices have contributed to its success in several areas.” The report made seven recommendations for improvement, all of which the Council has accepted.

How the Council Manages the Granting Process

Getting Information Out

The Canada Council for the Arts awards grants to Canadian professional artists and arts organizations through national, competitive, merit-based programs in a wide variety of arts disciplines and arts practices.

Getting information on these programs out to all eligible potential applicants in every part of Canada in both official languages is a primary responsibility.

To ensure broad awareness of its programs and of grant opportunities, the Council publicizes its programs and provides information on its peer assessment process through staff travel, regional outreach sessions, mailings, and telephone and e-mail contacts, in addition to its website postings. All program information, assessment criteria and application forms are posted on the Council’s website and are also available in hard copy.

National and regional arts service organizations, together with provincial, territorial and municipal arts funding agencies and departments cooperate in making information on Council programs available.

Getting Applications Assessed

For each competition, program officers with specialized knowledge in the artistic discipline first evaluate applications to ensure eligibility according to the published criteria. They then select peers (a total of close to 800 in 2007-08) to form an assessment committee, usually of three or five members (more in the case of large competitions).

Assessors are selected from a large pool of names maintained and continuously expanded by the Council. They are selected for their knowledge and expertise in particular fields of the arts. In forming committees, the Council seeks to ensure diversity of professional specialization and experience, artistic practice, official languages, region, gender, age and culturally diverse and Aboriginal arts practices. It also ensures a turnover of assessors. In any given year, approximately 40% of the assessors will be new to the process.

The peer committee reviews the eligible applications, examining them in terms of the published program criteria, and recommends to the Council which applicants should receive grants, within the constraints of the program budget. Artistic merit is the primary criterion. In the case of organizations, administrative capacity is also an important factor. In recent years, the Council has established mechanisms (e.g., the Flying Squad program) that allow arts organizations to self-assess priorities with respect to their own strengths and weaknesses and the opportunities and challenges of their operating environment.

A small percentage of Council grants are assessed internally. These include travel grants and other grants that require rapid response or that address special opportunities with high impact. Strict formula-based criteria are typically used in assessing these applications, including the requirement that the applicant have previously received a grant through one of the regular peer-assessed programs.

Once successful candidates have been informed and have accepted the grant conditions, including requirements to report on and account for their use of the funds, the Council releases the grant payment. A final report is required before the Council can close the applicant's file.

Monitoring the Grants System

To function optimally, the granting process needs a strong foundation of knowledge about current developments in the arts. This knowledge base is fed by formal research, but perhaps more importantly by ongoing semi-formal and informal research through discussions with arts and equity advisory committees, in conversation with peer assessors during the adjudication process and through staff travel in the field.

In monitoring applications and grants to ensure that its programs remain widely accessible to eligible applicants on an equitable and fair basis, the Council applies four benchmarks:

- *application rates*: the percentage of eligible applications coming from a given population base (e.g., provincial, Aboriginal);
- *peer assessors*: the overall diversity of representation on all peer committees over a given period;
- *success rates*: the percentage of eligible applications that are awarded grants; and
- *grants awarded*: the percentage of grant dollars awarded in a given province/ territory, measured against total artist population and total general population.

What the Council Has Achieved

As the Council looks ahead at its planning priorities for 2008-11, it also looks back to assess the outcomes of the previous planning period and its success in achieving the three goals identified in the *Corporate Plan 2005-08*. Here are some highlights of the results:

Goal 1, 2005-08:

Refocus Council support for creation, production and dissemination of the arts.

Highlights of results:

- The range of grants available to visual artists was broadened.
- The Artist and Community Collaboration Program was made permanent.
- The Aboriginal Capacity Building Program was introduced.
- The Council expanded its international programs, increasing market development opportunities and introducing foreign residencies.
- The one-time Supplementary Operating Funds Initiative (SOFI) was launched with one-time funding from the Government of Canada.

Goal 2, 2005-08:

Increase capacity in the infrastructure of arts funding.

Highlights of results:

- The Council strengthened its research capacity by establishing priorities, developing partnership initiatives with other funders and increasing the availability of research material on its web site.
- An on-line grant application system was introduced in 32 programs. In 2007-08, over 20% of all grant applications were submitted through the on-line system.
- The Council participated in the establishment of Canadian Public Arts Funders (CPAF), a network of 14 federal, provincial and territorial funders.
- A review of the Council's organizational structure was launched in 2007.

Goal 3, 2005-08:

Foster public knowledge and appreciation of Canadian artistic achievement.

Highlights of results:

- The Council's 50th anniversary (2007) was celebrated at over 130 public events across Canada. Most of the events were hosted by arts organizations that receive Council funding and were addressed to local audiences.
- Canadian Public Arts Funders (CPAF), the Canadian Commission for UNESCO and other partners hosted a symposium that led to closer collaboration between arts funders and educators.
- At any point in the planning period, approximately 6,000 works from the Canada Council Art Bank collection were on display in government and corporate offices and public spaces across Canada.

Major Strategic Issues, 2008-11

Each region of the country, each arts discipline and indeed each arts organization and individual artist face special and unique challenges, and the windows of opportunity open in many different ways. It is possible, however, to isolate a few overarching opportunities, threats and challenges that are likely to have a particularly strong influence on the development of the arts and the work of the Council over the next three years.

Technology: An Opportunity:

Technology permeates the arts. It has become an important vehicle for the development of new and hybrid art forms. It enables small- and large-scale artistic collaboration across the barriers of geography. It offers organizations a new dissemination platform for outreach to audiences and to a broader public. It also makes possible for the Council an extension of its research functions, more targeted communications with stakeholders and better information management.

The Economy: A Threat

The current macro-economic situation, including the global financial crisis, could be particularly unfavourable to the arts, probably for much of the planning period: first, because the endowment funds, donations and sponsorships on which large arts institutions rely for income may be at risk; and second, because audience growth depends heavily on economic confidence and a rising level of disposable income.

Two Challenges

The growing urbanization of Canada is reflected in the concentration of professional artists in cities. Measures are needed to support the growth of the arts in urban areas while ensuring that artists and arts organizations in all parts of the country continue to have equitable access to Canada Council programs.

Less space and airtime are being devoted to critical coverage of professional arts activity in mainstream media. Arts coverage in alternative media (e-zines, blogs) has, conversely, increased.

Strategic Directions, 2008-11

Direction 1: Individual Artists

Observations:

- Between 1991 and 2001, the number of professional artists grew by 29%, close to three times the growth rate of the overall labour force (10%). In 2001 (the last year of census figures available) the average income for an artist was \$23,500.
- Although the government has made some progress in legislating protection for intellectual property, artists have no sure guarantee of compensation for the use of their creative ideas.
- Young arts professionals are looking not just for grants but also for assistance in accessing practical services, including training in business skills and marketing, networking support and mentorship experience.
- Artists exhibit strong interest in pursuing international opportunities to hone their skills and broaden their creative experience and career exposure.
- With the support of new technology, artists are working outside institutions in ad hoc groups to broaden their reach in Canada and abroad.

- There is a shift toward more hybrid practices, as traditional boundaries between disciplines, genres and practices are blurring.

Goal:

Reinforce the Council's commitment to individual artists, working alone or collaboratively, as the core of artistic practice in Canada.

The Canada Council will explore ways to align its support of individual artists more closely to their creative and career needs, in both Canada and abroad. As resources permit, it will increase the maximum grant levels and flexibility of support available to individual artists, and aim eventually to parallel more closely the levels of support available to research professionals in the academic world. It will increase its outreach to younger artists applying to the Canada Council in the early stages of their professional careers. It will also enhance its celebration of recipients of Canada Council-administered prizes to make a larger public aware of the accomplishments of Canadian artists.

Expected outcome:

Council programs will contribute to a more supportive environment for pursuit of creative and skill-development activities in the professional arts by individuals, collectives and groups, and for their presentation of their work for public enjoyment.

Performance measures and indicators:

Performance measures are the development of Canadian artists' careers and overall changes in the national and international public profile of Canadian artists.

Indicators of performance will include case studies, file research and data analysis, as well as an updated report on *Impact of Canada Council Individual Artist Grants on Artists' Careers* focusing on young, culturally diverse, minority-official-language and Aboriginal artists.

Direction 2: Arts Organizations:

Observations:

- Arts organizations are under pressure to generate more earned and private-sector revenues, to develop and diversify audiences, and to find fresh ways of engaging with the public. This can result in structural changes, as well as changes in the modes of production, outreach and dissemination.
- In spite of the \$30 million addition to the Council's permanent appropriation announced in 2007, federal funding accounts for a declining proportion of the total revenues of arts organizations.
- Audience expectations are diversifying, and the sector is struggling to meet this demand for growing variety.
- Affordable travel and the convenience of home entertainment pose a threat to medium-to-large-sized organizations that depend on attracting large audiences to a finite series of performances.
- Although recent changes in tax law have encouraged charitable giving, only the largest and best-established organizations can compete in attracting the new dollars, for which the health, education and social service sectors are also competing.

- Reduced opportunities and shifting program parameters limit the ability of organizations to disseminate their work internationally, although many organizations rely on touring to offer their employees year-round work.
- In some sectors (notably publishing), the Internet has created new conditions for survival.
- Generational tensions exist between the greying baby-boom generation of arts administrators and a more mobile, entrepreneurial and younger workforce.

Goal:

Broaden the Council's commitment to arts organizations to strengthen their capacity to underpin artistic practices in all parts of the country.

The Council will expand its support to arts organizations – small, medium-sized and large – to reflect its awareness that these bodies are not only supporters and employers of artists and producers of artistic work but also primary vehicles for audience development (including arts education) and dissemination in the country. It will work towards a significant increase in public investment in the organizational infrastructure across the country and reinforce the role of Canadian arts organizations abroad. Where the Council feels that the arts infrastructure or conditions required to sustain professional arts activity are particularly thin or fragile, it will consider special measures and tools to strengthen that infrastructure. It will work with the most highly resourced organizations to ensure that their focus extends beyond their own survival to encompass the interests of the disciplines and communities in which they operate.

Expected outcome:

The capacity of arts organizations to produce creative and diverse work and to build sustainable connections with their audiences will be strengthened.

Performance measures and indicators:

Performance measures will be the health of arts organizations in the areas of creativity, finances and organizational stability, and their connections with regional, national and international audiences.

Indicators of performance will include the preliminary picture of regional needs and opportunities developed through research on a sample group of organizations, together with an examination of factors of organizational health, including growth and diversity of revenue and an update on the remuneration of managers in the arts sector. Tracking of the application of new funds, with the help of the new CADAC (Canadian Arts Data/Données sur les arts au Canada) reporting tool, will highlight their incremental effects, as measured through attendance/ visitors/ readers/ box-office take/ home market ticket prices.¹ Final reports on the use made of touring grants by a sample group of organizations and case studies on Council dissemination programs will be additional indicators.

Direction 3: Equity

Observations:

- The number of younger artists of Aboriginal descent or from culturally diverse communities is growing rapidly. These emerging artists do not have a strong framework of long-established

¹ Note: The statistical reporting through the newly created CADAC will come into effect only near the end of the reporting period (i.e., in 2010-11).

organizations through which to develop their practices. The Council's capacity-building programs are effective tools for addressing this disparity.

- The European market for Canadian Aboriginal art is currently strong across a number of disciplines. The Council has provided assistance for foreign touring and presentation.
- The cultural diversity of Canadian literature is praised around the globe, and Canadian writers of foreign origin continue to win major prizes (e.g., Rawi Hage's 2008 IMPAC Dublin Literary Award for *De Niro's Game*).
- Although a joint initiative to support capacity-building for Aboriginal and culturally diverse arts organizations was terminated by the Department of Canadian Heritage, the Council has made up the difference and continues to offer the same level of support to these initiatives.
- Although support for the Partenariat interministériel avec les communautés de langue officielle (PICLO) / Interdepartmental Partnership with the Official Language Communities (IPOLC) has not been confirmed by the Department of Canadian Heritage beyond 2008-09, the Council has made a commitment to continuing the same level of support for the next three years.
- The four benchmarks that the Council uses to monitor regional disparities have proven very effective. They are: application rates, peer assessor representation, success rates and grants awarded (measured against total artist population and total general population).
- Informal surveys suggest that society as a whole is becoming increasingly supportive of the equity principle. This is reflected in the increasing desire of many artists to work outside the traditional parameters in community-oriented movements for social change,

Goal:

Enhance the Council's leadership role in promoting equity as a critical priority in fulfilling Canada's artistic aspirations.

The Council will continue to use its unique national perspective to identify and address inequities of all kinds – linguistic, regional, cultural, Aboriginal, racial, gender-based, etc. It will establish measurable targets to align its funding and its operations to reflect more accurately the demographic and cultural make-up of the country, and it will actively intervene in circumstances which it believes require special action. It will highlight diversity as a conscious part of all communication strategies and, as resources permit, will consider adding new dimensions, such as disability arts.

Expected outcome:

Continuing alignment of Council policies and programs will reflect the changing cultural and demographic make-up of the country.

Performance measures and indicators:

Council-identified equity groups, including Aboriginal artists and artists from culturally diverse and official-language-minority groups, will be more strongly supported, and equity practices will be demonstrably well integrated within the Council.

Indicators of performance will include:

- (a) financial and statistical trends, drawn from sources including Statistics Canada data, CADAC (Canadian Arts Data/Données sur les arts au Canada) data, Capacity Building program data on Aboriginal and culturally diverse arts organizations, other dedicated program data, and the sections on culturally diverse, Aboriginal and official-language-minority artists in the updated report, *Impact of Canada Council Individual Artist Grants on Artists' Careers*; and

- (b) reports on equity from the Human Resources division, progress on research and consultations to increase understanding and knowledge, and shared responsibilities and participation of Council staff in equity areas (e.g., professional development opportunities, outreach and grant-writing sessions targeted to equity groups and committee membership).

Direction 4: Partnership

Observations:

- Artists, especially younger artists, show an increasing interest in working collaboratively with communities and with non-traditional, non-arts sectors as participants in movements for social change.
- In recent years, partnerships among funders (federal, provincial, municipal, corporate and private) have proven to be an effective way of leveraging Council resources and addressing changes in the funding environment.
- Although the Council is the principal direct federal funder of professional artists and arts organizations, it is responsible for the delivery of only five percent of total federal funding for the arts.

Goal:

Make partnerships with other organizations a key element in the Council's approach to advancing its mandate

Wherever possible, the Council will use partnerships with other organizations, including other funders, as an effective and economical alternative to expanding its own staff and programs. It will reinforce its excellent partnership with the provincial and territorial arts funders, and it will work with its federal colleagues to improve the delivery of programs for the arts. Partnerships will be helpful in areas where the Council has a deep interest but neither the mandate nor the resources to deliver direct programs, and they may offer new opportunities for the arts and the public's experience of the arts. The Council will also use partnerships in an effort to reach out across the country, and it will maintain links with its counterparts around the world to ensure it has access to new ideas and best practices internationally. Partnerships will help ensure that the Council's impact exceeds its resources; they will also broaden the Council's horizons, its ability to view others as natural partners in advancing the shared mission of providing opportunities for Canadians to express themselves creatively and for people to experience their art.

Expected outcome:

Partnerships, both existing and new, will broaden the resources available to artists and arts organizations, expand the Council's impact, and improve services offered to the Canadian arts community by the Council and its partners.

Performance measures and indicators:

National monitoring of arts trends and impacts will be improved through research undertaken in conjunction with partners, and new funds and services will be leveraged through strategic investments in partnerships.

Indicators of performance will include:

- (a) evaluation through CADAC statistical reporting (beginning in 2010), client satisfaction surveys and reports by participants on the success of professional development and research projects; and
- (b) the amount of new funds leveraged through partnerships, the impact of partnership initiatives, the types and sectors of partnerships initiated, and the participation of the Canadian Commission for UNESCO in cultural partnership activities.

Direction 5: The Council's Capacity to Implement Change

Observations:

- Administrative demands made by the diversification of arts practices and arts publics, shifting arts policies, and more rigorous standards of accounting and transparency all contribute to an increased workload.
- The Council must develop stronger mechanisms to attract and retain talented and dedicated employees who reflect the diversity of the Canadian population.
- The Council has recognized and is taking measures to exploit the benefits of horizontality: of working across organizational boundaries to promote effective collaboration.
- The Council must work to ensure that its external and internal communications are aligned with its Strategic and Corporate Plans and are delivered in such a way as to be understood consistently.
- A general shift among Canadians towards more environmentally sustainable practices is matched by the expectation that the public sector, including the Council, will show leadership in this area.

Goal:

Implement structural changes within the Canada Council to improve communication and strengthen the organization's capacity to implement change.

To make greater use of the Council's knowledge base and strengthen its capacities as an organization, the Council will implement a number of recommendations made in the 2007 Organizational Design Review to improve its culture of learning and information exchange, research, strategic planning, program evaluation, change implementation, and communications capacity. The overall goal will be to strengthen leadership and horizontal integration throughout the organization, including making the Canadian Commission for UNESCO and the Art Bank more integral to the Council and working more closely with the Public Lending Right Commission. These changes will also enhance the Council's capacity to implement its priorities throughout all aspects of the organization.

Expected outcome:

The arts community will make greater use of the Council's knowledge base, staff communications ability and leadership will be strengthened, and accountability will be enhanced through the updating of policies, procedures, standards and reporting mechanisms.

Performance measures and indicators:

The level of demand for Council services and expertise will rise and issues of accountability will be addressed through the completion of an Organizational Design Review, a review of the

communications function and web site effectiveness, updating of financial reporting standards and corporate policies and a rising quality of public reporting.

Indicators of performance will include:

- (a) with respect to the demand for services, the number of external demands for Council expertise in areas such as programming, policies, research, communications and Art Bank structure and operations, the number of staff travel days and the number of presentations, consultations and video conferences addressed to external audiences, the building of the talent pool through human resources initiatives (succession planning, staff training, etc.), the ongoing evaluation of communications functions (e.g., web site traffic, survey of web site users); and
- (b) with respect to accountability, implementation of International Financial Standards by April 1, 2010, a review of corporate service policies in the areas of human resources, finance and administration, a review of Board governance policy and by-laws, compliance with the recommendations of the internal and external audits, the quality and relevance of information and analysis in Annual Reports and Annual Funding Profiles, and the introduction of an Annual Public Meeting.

For further information on the activities of the Canada Council for the Arts, please consult the Council's web site, www.canadacouncil.ca.

Canada Council for the Arts
Pro Forma Consolidated Balance Sheets
As at March 31
(Unaudited)
(In thousands of dollars)

| | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|---|--------------------------|--------------------------|--------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 3,896 | \$ 5,135 | \$ 6,056 |
| Accrued investment income | 0 | 0 | 0 |
| Accounts receivable | 1,433 | 1,448 | 1,462 |
| Prepaid expenses | 541 | 552 | 563 |
| | <u>5,870</u> | <u>7,134</u> | <u>8,081</u> |
| Investments (1) | 318,404 | 319,996 | 321,596 |
| Works of art and musical instruments | 20,368 | 20,618 | 20,868 |
| Other capital assets | 3,109 | 2,501 | 2,067 |
| Total Assets | \$ <u>347,751</u> | \$ <u>350,250</u> | \$ <u>352,611</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Grants payable | \$ 29,133 | \$ 29,424 | \$ 29,716 |
| Accounts payable and accrued liabilities | 2,997 | 3,057 | 3,118 |
| | <u>32,130</u> | <u>32,481</u> | <u>32,834</u> |
| Deferred revenues | 3,016 | 3,076 | 3,138 |
| Employee future benefits | 2,182 | 2,448 | 2,746 |
| Total Liabilities | <u>37,328</u> | <u>38,005</u> | <u>38,718</u> |
| EQUITY | | | |
| Contributed surplus | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> |
| Retained earnings - Opening balance | 13,796 | 13,845 | 13,824 |
| Net income (loss) | 49 | (20) | (201) |
| Retained earnings - Closing balance | <u>13,845</u> | <u>13,824</u> | <u>13,624</u> |
| Accumulated other comprehensive income | 57,465 | 59,057 | 60,657 |
| | <u>71,310</u> | <u>72,881</u> | <u>74,281</u> |
| Capitalization of investment income | 168,745 | 168,745 | 168,745 |
| Invested in works of art and musical instruments | 20,368 | 20,618 | 20,868 |
| | <u>189,113</u> | <u>189,363</u> | <u>189,613</u> |
| Total Equity | <u>310,423</u> | <u>312,244</u> | <u>313,894</u> |
| Total Liabilities, Private Endowments and Equity | \$ <u>347,751</u> | \$ <u>350,250</u> | \$ <u>352,611</u> |

(1) Fair value increase only at a rate of 0.5% due to the current investment market events

Canada Council for the Arts / Conseil des Arts du Canada
Pro Forma Statement of Operations for the Years Ending March 31
État des résultats pro forma pour les exercices terminés le 31 mars
Unaudited / Non vérifié

| | 2009 | 2010 | 2011 |
|--|--|----------------|----------------|
| | (in thousands of dollars)/(en milliers de dollars) | | |
| REVENUE / REVENUS | | | |
| Net investment income / Revenus nets de placements (1) | 9,422 | 9,753 | 9,967 |
| Other / Autres | 2,960 | 3,061 | 3,121 |
| Total revenue / Total des revenus | 12,382 | 12,814 | 13,087 |
| EXPENSES / DÉPENSES | | | |
| Arts - Grants & Services / Arts - Subventions et services | | | |
| Grants / Subventions | 150,033 | 150,033 | 150,033 |
| Administration | 9,828 | 10,044 | 10,265 |
| Services | 3,207 | 3,231 | 3,255 |
| | 163,068 | 163,307 | 163,552 |
| Arts Promotions / Promotion des Arts | 8,906 | 8,995 | 8,951 |
| General Administration / Administration générale | 21,000 | 21,174 | 21,427 |
| Total expenses / Total des dépenses | 192,974 | 193,475 | 193,930 |
| Net cost of operations before parliamentary appropriation / Coût d'exploitation net avant le crédit parlementaire | 180,593 | 180,661 | 180,842 |
| Parliamentary appropriation / Crédit parlementaire (2) | 180,641 | 180,641 | 180,641 |
| Surplus (deficit) for the years / Excédent (déficit) de les exercices | 49 | (20) | (201) |

(1) Assumption: 2% increase in investment income
Hypothèse : augmentation de 2% dans les revenus de placement

(2) Assumption: Incremental funding renewed in 2011
Hypothèse : Financement supplémentaire renouvelé en 2011

(3) This statement is presented using the three main expense categories in the Canada Council's Program Activity Architecture (PAA) provided to Treasury Board Secretariat as required for inclusion in the Annual Reference Level Update (ARLU) used to prepare the government's annual main budget estimates. The categories are:

- Grants and Services to support creation, production and dissemination of arts for individuals and organizations (This category includes all grants and Public Lending Right payments.)
- Arts Promotion to foster public knowledge and appreciation of Canadian Arts and Culture (This category includes the Art Bank, activities related to Audience and Market Development, Prizes, Partnerships and the Canadian Commission for UNESCO.)
- Internal Services (This category, which the Council calls "General Administration", includes Finance, Audit, Human Resources, Information Technology, Communications, Research, Program Evaluation, etc.)