



Canada Council  
for the Arts

Conseil des arts  
du Canada

# Annual Report 2014-15





# Bringing the arts to life



Canada Council  
for the Arts

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du Canada

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Canada

Cover: *TransMigration*, creation and production of Kaha:wi Dance Theatre, choreography and artistic direction by Santee Smith, 2015 National Tour. Photo: David Hou

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The 58<sup>th</sup> Annual Report of the Canada Council for the Arts and supplementary information on grants, services and prizes are available on the Council's website.

# Mandate

For close to 60 years, the Canada Council for the Arts, Canada's national arts funder, has been contributing to a vibrant arts scene that enriches the lives of all Canadians.

The Canada Council offers a broad range of grants, services and prizes to professional Canadian artists and arts organizations. As a result, Canadians across the country have access to the arts in their communities. The Council's grant decisions are based on the recommendations of peer assessment committees, made up of artists and arts professionals from all parts of Canada.

The Council raises public awareness and appreciation of the arts through its communications, research and arts promotion activities. Its prizes and fellowships celebrate creativity by recognizing exceptional Canadians in the arts, humanities and sciences.

The Canadian Commission for UNESCO is part of the Council.

The Council is governed by an 11-member Board. Members of the Board and the Director/CEO are appointed by the Governor in Council. The Council works closely with federal, provincial, territorial and municipal arts and cultural agencies and departments.

As a federal Crown corporation, the Council reports to Parliament through the Minister of Canadian Heritage and Official Languages. The Council receives funding from Parliament and its annual budget is supplemented by endowment income, donations and bequests.





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A portrait of Joseph L. Rotman, an older man with white hair, wearing a dark suit, light blue shirt, and patterned tie. He is seated and looking towards the camera with a slight smile. The background is a soft-focus interior with vertical light and dark stripes.

# A transformative legacy

Photo: Martin Lipman

## Joseph L. Rotman 1935-2015

With the passing of the Canada Council's Chair, Joseph L. Rotman, the Council – and Canada – lost an engaged leader and a committed advocate for the arts.

Mr. Rotman was fond of saying that he came to the Board of the Council not as an artist or arts administrator, but as a businessman with a deep appreciation of the arts. Indeed, following a successful career in business, Mr. Rotman chose to devote himself, at the age of 60, to the public sphere, serving on the boards of several major organizations in the arts, and health and sciences. He believed that artists are uniquely positioned to contribute not only to Canada's culture, but to the strength and vitality of the nation. He maintained that the arts are at the crux of the creativity needed to address the issues of our times.

Mr. Rotman's greatest legacy to the Canada Council, and by extension the national cultural landscape, was to encourage the Council to see its beneficiaries as not just artists, but as the broader Canadian public. He believed that the future of the Council lies in its ability, through its investments in creativity, to contribute to Canada's success as a nation. Beyond this he encour-

aged the Council to work with partners in all sectors to leverage the power of the arts to effect positive change in Canadian society.

Under Mr. Rotman's leadership as Chair (2008-15), the Canada Council was recognized for its excellent stewardship of public funds and productive relationships with key stakeholders in the corporate, political and not-for-profit sectors. He was instrumental in finding leading experts to volunteer their time and valuable knowledge to the Board's Investment Committee. He also spearheaded, with Her Excellency, the Honourable Sharon Johnston, an initiative to bring the healing power of the arts to ill and injured soldiers through an installation of art work at Garrison Petawawa from the collection of the Canada Council Art Bank.

Mr. Rotman's vision is shared by all the Council's leadership and is a driving force behind the organization's current transformation. We are extremely grateful for his profound and enduring legacy to the Canada Council – and to Canada's cultural life.





## Message from the Vice-Chair

When I was appointed Vice-Chair one year ago, I could never have imagined the sad passing of Joseph Rotman, the Chair of our Board. He was a visionary in outlining the future of the Canada Council, and was convinced of the vital importance of public engagement in the arts. Our future is his legacy. Highly experienced, he played a key role in protecting the Council's budgetary resources and in recruiting well-known experts to the Investment Committee. The loss of this outstanding leader placed me, suddenly, in the position of assuming the official responsibilities of the Chair.

This year, the Council's leadership also changed with the departure of former Director and CEO, Robert Sirman, whose most tangible contribution to the organization was leading the Council's move to a more convivial, publicly accessible location. As a long-time Vice-Chair and co-leader with Joseph Rotman, Simon Brault brought a deep knowledge of the organization to his new role as Director and CEO. With his organizational expertise and understanding of emerging issues affecting the arts, he was able to quickly create the conditions for the Council's new funding model to emerge.

Remarkable work was accomplished in the past year to re-orient the Council to become more open to other clients, artists and, ultimately, the public. This was made possible due to the Director's strategic and energetic commitment, and the efforts of his skillful and highly-motivated management team, a variety of specialists at all levels. We congratulate them all for the colossal work completed to date – always carried out with thoughtfulness, determination, transparency and professionalism. We are all well aware of great amount of work that remains to be done – the IT network, new staff structure, processes – and we will be following the transformation step by step. The Board wants to contribute to this major transformation through the attentive involvement of its members, who bring their unique perspectives as representatives of Canada's regional and cultural diversity, including our most recent member from Manitoba, Cheryl Sharfe.

The Council has always been known for its disciplinary expertise, its support to artists and arts organizations, and its excellence and credibility. To this, we add an understanding of the Canadian public. This will permit us to better measure the impacts of our actions, and to improve accordingly. That is why we are encouraging this necessary shift towards greater simplification and efficiency. We firmly support Simon Brault and his team for the work done to date, and the work still to be completed. Our goal is to prepare the Council to scale up its impact on all Canadians – arts professionals and the public alike. We believe that an sustained investment in creativity is one of the surest ways for Canada to further its economic and social prosperity. We are confident that we will reach our goals by 2017 – in time for the Council's 60<sup>th</sup> anniversary and Canada's 150<sup>th</sup> anniversary celebrations.

We are convinced that this paradigm shift will strengthen the Council's new Art is Serious communications campaign. The arts and culture drive innovation and creativity, which leads to improved individual and collective well-being and tangible socio-economic impacts. It's at the heart of what it means for us to be better human beings. The arts and culture play a vital role in our immense country with its many identity challenges, on behalf of all citizens, no matter what their language, background or ability. The arts and culture reach out and affirm the excellence of our artists around the world. As Joseph Rotman used to say: the arts are not just a "nice to have;" they are a "must have."

In the 21<sup>st</sup> century, creativity and culture are two key factors that define a developed country – as well as a country that is well on its way to meeting similar standards of living. That is why, as we face the tomorrow's societal challenges, strengthening creativity and culture is part a necessary education – one based on living together in co-evolution rather than confrontation, an issue particularly important in a multicultural Canada.

**Nathalie Bondil,**  
Vice-Chair





**“What could possibly be more important than our ability to create, invent, think, dream and imagine?”**

**Simon Brault, Director and CEO**

*Remarks to CORIM, Supporting the arts: a driving force for prosperity and influence in the 21<sup>st</sup> century*



## Message from the Director and CEO

I would have liked to have shared this reflection on my first year at the helm of the Canada Council with my mentor, advisor, friend and great leader Joseph Rotman. As the Council's Chair, he had a major influence on the organization, and we pay tribute to him by following the path he mapped out for us. If I were to summarize for him the progress made since I took up my duties, I would use the words *convergence* and *synergy*.

Indeed, the past year was about converging our ongoing work to meet the major objectives of the strategic plan established by my predecessor Robert Sirman with the drive to transformation entrusted to me and my team by the Board of Directors – all the while strengthening the synergy between the Council and the Canadian Commission for UNESCO.

Last fall, we produced a mid-term report on the 2011-16 Strategic Plan. This exercise gave us an overview of the current demographic, technological and economic environment, and the conclusions of our consultations with the arts sector, which together informed the forward-looking work that began upon my arrival in Ottawa. By working both on regular activities and those related to the organization's transformation, we have made progress on several fronts.

Through our regular activities we've reached our outreach, equity and public engagement targets. By doubling our international grants to \$10 million, we provided more international exposure for Canadian artists. We enhanced our public presence by holding events in Âjagemô Hall, exhibiting works from our Art Bank in Toronto's financial district, and conducting major communications campaigns for the Governor General's Awards in visual and media arts and literature. We also launched the Cultivate initiative, which embodies our equity values and nurtures diversity in the arts.

It is imperative that the arts aspire to have a seat at the tables where any discussions about our collective advancement are taking place. The Council's public presence needs to promote recognition of the arts as being vital to our development and prosperity. As such, I attended numerous national and international forums to present our vision of the future for the arts, not only to members of the arts community, but also to business, policy, government and university representatives and to fellow domestic and international arts funders. There were also numerous interviews with the media and focussed efforts to engage with the general public through social media.

Compared to our international counterparts, the Canada Council is an exception because its resources, autonomy, mandate and capacity for action have not suffered cutbacks in recent years. The Council is a democratic tool to serve Canadians by maximizing their potential for innovation and creation. That's why we must ensure that the general public, and the arts community in particular, can clearly see themselves in the Council. The transformation currently underway will contribute to this. Our new funding model will give artists and arts organizations a non-prescriptive, flexible and open funding instrument. It will enable them to pursue their quest for excellence on their own terms, strengthen the public's engagement with the arts, work in an environment that is rich in opportunities for professional development and shine at the national and international levels. It will give more people better access to diverse artistic experiences. It will also give Aboriginal artists an ideal context in which to optimize the impact of their creative work.

In June 2015, we announced the major thrusts of the six programs we are currently developing. More details will be available in the late fall, the online grant application system will be introduced in December 2016, and the programs will be launched in 2017, on the occasion of the Council's 60<sup>th</sup> anniversary. Our aim is to create, dream, imagine and invent the future now and tomorrow, and we invite you to be fully involved in these plans.

**Simon Brault,**  
Director and CEO



## Management's Discussion and Analysis



# Art is serious business.

## Management's Discussion and Analysis

The Canada Council for the Arts strengthens professional arts practice and connects the public to the arts. Its Strategic and Corporate Plan, *Strengthening Connections: 2011-16*, includes five strategic results analyzed in this report.

The themes of **public engagement in the arts, new technologies and synergy** are interwoven throughout these results and all of the Canada Council's work. Together, these results and themes support the Canada Council's ultimate goal: a vital and diverse arts sector that enriches the lives of Canadians.

In interpreting these results, it is important to recognize that the Council's investment in the arts is part of a larger system of support and influence including public and private funders, and earned revenues. The Canada Council contributes to results in varying degrees and measures can be affected by factors outside of its control.

**90%**  
of Canadians  
believe arts &  
culture make their  
communities  
better places  
to live

Canadians  
spend over  
**\$27B**  
on arts  
& culture

Canadians  
spend  
**\$1.4B**  
on live arts  
events

**Investing in creativity  
is a path to Canadian  
prosperity.<sup>i</sup>**

# Highlights

## Looking to the future

This year the Canada Council announced plans to put into place a new funding model by its 60<sup>th</sup> anniversary in 2017. The new funding model will have fewer and clearer programs and simplified processes. This will maximize the Canada Council's ability to implement new strategies to achieve its objectives and to scale up its impact, while giving artists and organizations more time for creative work and public engagement. These programs will include all fields of artistic practice and their outreach in Canada and the world, and will take into account current arts disciplines and emerging art forms.

## Canada's art in the world

A strong presence for Canada on the international arts scene is critical to the artistic and financial success of Canadian artists. The Canada Council's increased investment over the past three years – \$5 to \$10 million dollars – has yielded great results and given new insights about what artists and arts organizations need to be successful in the international arena. This knowledge will inform a new program dedicated to supporting international activities, which will be launched in time for 2017 as part of the Canada Council's new suite of national grant programs.

## A self-determined approach for Aboriginal Arts

For 20 years the Canada Council has supported Indigenous arts through the Aboriginal Arts Office's dedicated programs and partnerships committed to the needs of Canada's First Nations, Inuit and Métis arts communities, and through its other, non-dedicated programs. In 2014-15, the Council completed the bulk of its work to evaluate the impact of its Aboriginal programs and, based on this evaluation, began to plan a new, self-directed approach to supporting Aboriginal arts. This new approach includes a specific program for Aboriginal arts to be launched as part of the Council's new funding model.

## Responding to a changing environment

Over the past four years, the Canada Council has consulted artists from every discipline and region of Canada. These consultations have highlighted several challenges and opportunities related to the creation and sharing of art in today's world:

**Flexibility:** In a rapidly changing environment, being able to respond to shifts and opportunities is of central importance.

**Evolving arts practices:** Artists draw on a variety of media and, in many cases, do not define themselves as working in a single artistic discipline. At the same time, "traditional" arts disciplines are neither monolithic nor stagnant, and continue to evolve in tandem with their interdisciplinary counterparts.

**New models:** Alternative organizational models are emerging in tandem with evolving times and artistic practice.

**Participation and promotion:** More people than ever are seeking to participate in creative endeavours and engage with critical ideas – how this is happening is part of a broader societal change.

**Technology:** Rapid technological change has opened up exciting avenues for artistic development and dissemination, yet keeping pace with technology can be daunting with limited resources.

**Market access:** Global networks, collaborations and exchanges enrich artistic practices and perspectives here at home, and ensure Canada is recognized worldwide.

**Demographics:** Shifting demographics and increasing diversity within the Canadian population are reshaping arts practices and audience expectations.

**The economy:** The economic environment remains uncertain, exacerbating financial difficulties for many in the arts.

**The relationship between Aboriginal Peoples of this land and the Canadian state has been called the defining issue of our times.** The Idle No More movement continues to shape public discourse, and the Truth and Reconciliation Commission completes its work with its final report in 2015. Aboriginal artists have a distinct and unique place in Canada, as creators, interpreters, translators and transmitters of an inherent Indigenous cultural continuity. This is a time when it's recognized that Indigenous arts hold tremendous potential to change the tide in relations between non-Aboriginal and Aboriginal Peoples for a common future.



# At a glance

**2,255**

arts organizations  
receiving Council grants

**1,884**

communities across Canada in which grants,  
prizes and payments were awarded

**16,865**

authors receiving Public  
Lending Right payments

**1,953**

artists receiving  
Council grants

**\$182.2 million**

total Parliamentary appropriation

**\$155.1 million**

allocated to grants, prizes and payments

**1,059**

first-time grant recipients (artists and arts  
organizations, representing 25 % of all recipients)

**583**

peer assessors

## ULTIMATE OUTCOME AND STRATEGIC IMPACT

# A vital and diverse arts sector that enriches the lives of Canadians.

Canadians across the country engage in the arts in many ways and believe that the arts are important in their lives and communities. The Canada Council contributes to this engagement by supporting the creation, production and dissemination of artistic experiences in communities across the country.

# \$47.7B

culture gross domestic product  
or 3.1% of Canada's total GDP, 2010<sup>ii</sup>

There were

# 642,486

cultural jobs or 3.7% of total  
employment, 2010<sup>ii</sup>

## The arts in the lives of Canadians<sup>iii</sup>

# 83%

of Canadians attended at least one  
type of live performance or arts event



# 80%

of Canadians read books,  
reading, on average, 5 hours a week



# 62%

of Canadians feel businesses have  
an important role to play in  
supporting the arts



# 190

different dance forms were reported  
by 8,124 Canadians who dance  
and took the *Yes I Dance* survey





# Results

## Individual Artists

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

The Canada Council advances artists' careers, supports risk-taking and recognizes exceptional artistic achievements. Its grants, payments, prizes and services support artistic exploration and innovation that provoke, inspire and challenge audiences. There are 136,600 artists in Canada representing 0.8% of the overall Canadian labour force.<sup>iv</sup>

The Council's promotion of prize and fellowship winners via social media:

**28.3 million**

views on Twitter and over 90 million views in traditional and online news sources.

The Council supported

**19,034**

artists for a wide range of activities, including prizes, research, creation, professional development, travel, market development and payments for the presence of books in public libraries.

The Public Lending Right program registered

**4,952**

new titles. Overall, the average annual growth in eligible titles over the last three years is 3.95%.

## Artists Driving Innovation

Researching, experimenting, exploring, and taking risks are all part of the creative process. The Canada Council supports the evolution of artistic practices and forms, and imaginative ways of pushing existing boundaries. Its new funding model will embrace all forms of artistic innovation, while building on the experience of the Council's current grant programs.

Stacey Ho took part in a residency at LIVE where she pursued visual arts and performance research to prepare programming for the Emerging Curator series at Vancouver's Live Performance 2015 event. Her project, *How to Talk Dirty and Influence People*, probes the complexities of humour.

The Séripop artist duo of Yannick Desranleau and Chloé Lum creates choreographed installations that sculpt space and that are in demand around the world. With the Council's support, the duo developed, created and presented *The Face Stayed East, the Mouth Went West* as part of Confederation Centre of the Arts' 50th anniversary celebrations in Charlottetown. The exhibition aimed to reconsider the Centre's architecture, and the artists provided a playful and critical response to the built environment.

Andrew Cividino produced his first feature film, *Sleeping Giant*, which moved audiences and earned critical acclaim at the prestigious Cannes Festival. This film about the teen years of a boy in a rural setting features a unique sensitivity that confirms the importance of supporting independent film works.



Andrew Cividino's *Sleeping Giant*, 2014, Film Forge Productions Inc. Shown here: actors Nick Serino, Jackson Martin and Reece Moffett.

## The Canada Council's direct support to artists

### Number of recipients

|   | 2014          | 2015          |
|---|---------------|---------------|
| Total grants to individual artists          | 1,903         | 1,953         |
| <b>Total support to individual artists*</b> | <b>20,797</b> | <b>19,034</b> |

### Total funding

(in thousands of dollars)

|   | 2014             | 2015             |
|---|------------------|------------------|
| Total grants to individual artists          | \$ 20,673        | \$ 21,634        |
| <b>Total support to individual artists*</b> | <b>\$ 33,289</b> | <b>\$ 34,211</b> |

\*includes Public Lending Right program and prizes

### Trend

The number of grant recipients and total funding to individual artists have increased slightly over the period while support to individual artists through prizes and Public Lending Rights payments has decreased.

## Organizational support to individual artists

In addition to direct granting support, individual artists are employed and paid professional fees by organizations receiving Canada Council operating funding, which provide an infrastructure for creation, production and dissemination.

## The Canada Council's indirect support of artists

| 2013                                       | 2014                  |       |
|--|-----------------------|-------|
| Total number of artists paid artists' fees |                       |       |
| 35,909                                     | 37,046                | +3.2% |
|  | 4-year average 35,805 |       |
| Total number of artists employed           |                       |       |
| 1,835                                      | 1,700                 | -7.4% |
|  | 4-year average 1,868  |       |

### Trends

The number of independent artists receiving fees for their artistic work increased over the past two years, as reported by a sample of organizations receiving Canada Council operating funding.<sup>9</sup> The year-to-year comparison shows a decline in the number of artists employed by arts organizations; though the 4-year average indicates an increasing trend for number of artists paid artists' fees. Also, the combined number of artists receiving artists fees and salaries increased over the period.

## Arts Across Canada

The Canada Council is committed to giving Canadians access to diverse, high quality arts experiences. After all, Canadians (90% of them!) believe arts and culture make their communities a better place to live. That's why the Council funds artists and organizations who bring their work to communities across the country – and will continue to do so under the new funding model with a dedicated program, Arts Across Canada.

Winnipeg-based J. Gordon Shillingford Publishing organized book tours that connected seven authors with readers across Canada. The authors included Métis poet Katherena Vermette (Governor General's Literary Award, 2013), from Winnipeg, who gave readings at literary festivals in Saskatoon, Whistler and Vancouver, and Halifax-based playwright Catherine Banks (GG 2008, 2012) who met readers in Winnipeg.

The Rizawaan Muazzam Qawalli group shared its unique blend of traditional and contemporary South Asian Qawwali music with audiences in Toronto, Quebec City and London. The concerts raised awareness of the Sufi music of Islam, while its strong message of harmony and understanding resonated with audiences from all backgrounds, particularly those from the Pakistani and Indian communities.

Montréal-based theatre company HÔTEL-MOTEL brought its award-winning production about the Israeli/Palestinian conflict, *L'Affiche*, to six communities across Quebec and New Brunswick. The tour furthers HÔTEL-MOTEL's commitment to bring theatre "out of the kitchen" and engage audiences with global issues and questions of identity.



Actors Justin Laramée, François Bernier, Michel Mongeau and Dominique Quesnel in *L'affiche*, HÔTEL-MOTEL, Espace Libre, 2009. Photo: Federico Ciminari.



# Results

## Arts Organizations

Arts organizations have strengthened capacity to underpin artistic practices and enrich their presence in all parts of the country and abroad.

Arts organizations play a central role in Canada's cultural and artistic life. They are hubs of arts activity that engage, teach, convene and partner to make their communities vibrant places to live. They support and employ individual artists and other cultural workers, and they contribute to the overall strength of the cultural sector.

### \$91 million

or 64% of the Council's annual granting budget goes to annual and multi-year operating funding<sup>v</sup> for more than 1,000 arts organizations, located in 159 communities.

### \$24 million

of the \$142.6M Council grant funding was distributed to the Canadian literary community, supporting the publication of 2,563 books, 116 translation projects, 440 magazine issues, 90 festivals and series, 1,450 readings and author tours, and over 230 writers, storytellers and spoken word artists.<sup>v</sup>

### 1,766

arts organizations received \$30M in project funding or 21% of Council's total granting budget. This amount has remained stable over the period of the strategic plan.

## Arts Organizations: Community Leaders

In 2014-15, arts organizations continued to play leadership roles in making their communities' art scenes vibrant and diverse – a role that the Canada Council will encourage further in the Engage and Sustain program of its new funding model. Sometimes, arts organizations do this by being hubs for neighborhood and cultural communities. Other times, they reach out by moving their activities to the streets.

When Toronto's Theatre Centre moved into a renovated historic building on Queen Street West (Carnegie Library), it provided a central place in the neighbourhood where artists and the public can come together to create, present and experience innovative productions.

Le Théâtre la Tangente continued to bring Toronto's francophone community high-quality original works that combine theatre, music, dance and video. Its inclusive approach invites the public to see works while still in-development, and provides English surtitles and audio for some of its productions.

The Edmonton Symphony Orchestra continued to offer successful off-site performances, such as the Symphony in the City festival which reached close to 45,000 Edmontonians of all ages.

The literary festival Correspondances d'Eastman attracted more than 4,500 residents and tourists to literary reading activities throughout the small town of Eastman in the Eastern Townships of Quebec. Established and aspiring writers also participated through masterclasses, including one with award-winning author Dany Laferrière, a writing garden (Jardins d'écriture) where they penned and sent letters to destinations around the world, and a day camp and workshops especially for children.



Edmonton Symphony Orchestra, *Symphony in the City*, 2014, Sir Winston Churchill Square, Edmonton.

## Presence and engagement

### Arts activities and attendance: trending up

Canadians are involved with the arts through performances, exhibitions, festivals, readings and screenings. This engagement is deepened by educational outreach, backstage tours, artist talks, participatory and co-creation events and other activities.

| A sample of 545 organizations receiving Canada Council operating funding reported: <sup>vi</sup> |                             |       |
|--|-----------------------------|-------|
| 2013   | 2014                        |       |
| Total attendance / participation   |                             |       |
| 17.7M  | 17.4M                       | -1.8% |
|  | 4-year average 16.8 million |       |
| Number of public arts activities   |                             |       |
| 98,614   | 92,676                      | -6.0% |
|  | 4-year average 83,629       |       |

#### Trend

The number of arts activities and total attendance / participation have decreased slightly during the period. The 4-year average indicates growth in both areas over the longer term.

| A sample of 80 organizations from equity-seeking communities receiving Canada Council operating funding reported: <sup>vi</sup> |                        |       |
|---|------------------------|-------|
| 2013  | 2014                   |       |
| Total attendance / participation  |                        |       |
| 827,500   | 801,163                | -3.0% |
|   | 4-year average 826,300 |       |
| Number of public arts activities  |                        |       |
| 4,322   | 4,349                  | +1.0% |
|   | 4-year average 4,257   |       |

#### Trend

This trend parallels that of all organizations with the number of total attendance / participation decreasing slightly during the period, while the number of arts activities stayed stable during the period. The 4-year average indicates growth in terms of number of public activities produced and presented by this group of organizations.

## 2014





Touring Canadian artistic works extends the life of the work and shares it with populations throughout Canada and abroad.

# 2.6 million

audiences in Canada and 1.1 M audiences internationally benefited from almost 45,000 touring performances, exhibitions and media screenings provided by organizations receiving operating support.

### Volunteers: Canadians care about and give to arts organizations supported by the Council

Volunteers are a key measure of the level of community support of non-profit arts organizations. They are also an important source of labour through which arts organizations increase their capacity. Volunteer boards are a critical component of the arts ecosystem, providing expertise and leadership to help organizations fulfill their mandates.

| A sample of 545 organizations receiving Canada Council operating funding reported: <sup>vi</sup> |   |   |
|--|---|---|
| 2013   | 2014  |   |
| Total number of volunteers (including board members)   |   |   |
| 46,340   |  | 47,259  +2.0%    |
|  | 4-year average 45,602   |   |
| Total estimated hours worked by all volunteers   |   |   |
| 1,336,440  |  | 1,411,350  +5.6% |
|  | 4-year average 1,331,998  |   |

#### Trend

There continues to be solid growth in the number of volunteers for Council-funded organizations. The 4-year growth of volunteer hours is less strong.

## 2014

# 2.3 million

young people participated in 25,680 programs and initiatives specially designed for and directed at children and youth, presented by organizations receiving operating support.<sup>vi</sup>



## Strengthened arts organization capacity

Canadian arts organizations need to have the capacity to understand and respond to their environment. In order to measure this, two areas are analyzed: employment and financial health.

### Employment: consistency

The organizations supported by the Council are primarily not-for-profit and range in size from large companies with hundreds of employees to small organizations with few full-time equivalents (FTEs).

| A sample of 545 organizations receiving Canada Council operating funding reported: <sup>vi</sup> |          |                          |       |
|--|----------|--------------------------|-------|
| 2013   |          | 2014                     |       |
| Artistic, exhibition, production, programming and technical                                      |          |                          |       |
| Salaries   | \$173.4M | \$175.0M                 | +0.9% |
|  |          | 4-year average \$171.8 M |       |
| FTEs   | 3,220    | 3,248                    | +0.9% |
|  |          | 4-year average 3,279     |       |
| Administrative, facility, marketing, communications and fundraising                              |          |                          |       |
| Salaries   | \$150.1M | \$153.4M                 | +2.2% |
|  |          | 4-year average \$146.2 M |       |
| FTEs   | 3,006    | 3,066                    | +2.0% |
|  |          | 4-year average 2,958     |       |

#### Trends

Organizations are continuing a 4-year trend of strengthening infrastructure, contributing to artistic and non-artistic salaries. The number of positions has increased slightly.

## Conversations Towards Change

Evolving artistic practices, technology, shifting demographics... We've learned from the arts community through consultations over the past four years that these are some of the top issues and trends affecting it. These consultations and the issues they've raised are actively informing the design of the Canada Council's new funding model, and are highlighted in the Council's report, *Conversations Towards Change: How dialogue with the arts community is informing the new funding model*. For more details, consult the full report at [canadacouncil.ca](http://canadacouncil.ca).

### A sample of 80 organizations from equity-seeking communities receiving Canada Council operating funding reported:<sup>vi</sup>

| 2013  | 2014   |                        |        |
|---|--------|------------------------|--------|
| Artistic, exhibition, production, programming and technical         |        |                        |        |
| Salaries  | \$6.0M | \$6.1M                 | +2.0%  |
|   |        | 4-year average \$5.8 M |        |
| FTEs  | 147    | 157                    | +7.0%  |
|   |        | 4-year average 161     |        |
| Administrative, facility, marketing, communications and fundraising |        |                        |        |
| Salaries  | \$6.5M | \$7.1M                 | +10.0% |
|   |        | 4-year average \$6.5 M |        |
| FTEs  | 156    | 161                    | +3.0%  |
|   |        | 4-year average 155     |        |

#### Trends

The year-to-year comparison shows an increase in both artistic and administrative infrastructures, though the 4-year average indicates some decrease in artistic FTEs. Similar to the trend of all organizations, more investment is directed toward non-artistic salaries and positions.

### Financial health of organizations: stability

The Council examined two areas of financial performance of these 545 organizations over the past four years:<sup>vi</sup>

#### Revenues and expenses

| (in millions of dollars)      | 2013    | 2014    | Change % | 4-year average |
|-------------------------------|---------|---------|----------|----------------|
| Proportion of earned revenue  | 41%     | 41%     | 0%       | 41%            |
| Proportion of private revenue | 23%     | 23%     | 0%       | 22%            |
| Proportion of public revenue  | 34%     | 33%     | -1%      | 34%            |
| Proportion of other revenue   | 2%      | 3%      | 1%       | 2%             |
| Total revenues                | \$891.6 | \$899.2 | 0.9%     | \$880.2        |
| Total expenses                | \$875.4 | \$887.4 | 1.4%     | \$869.1        |

#### Debt to assets ratio<sup>vii</sup>

|                               |           |           |        |           |
|-------------------------------|-----------|-----------|--------|-----------|
| Average debt to assets ratios | 0.86      | 0.89      | 3.3%   | 0.87      |
| Total assets                  | \$1,082.4 | \$1,093.1 | 1%     | \$1,087.6 |
| Total liabilities             | \$823.3   | \$823.1   | -0.03% | \$826.9   |

#### Trends

Revenues and expenses of these 545 organizations: The 4-year trend of their revenues from earned and private sources is stabilized. The Canada Council share of overall revenue stayed stable at 8% over the past 4 years. Overall expenses have grown over the reporting period, exceeding the rate of growth in overall revenues.

Debt to assets: the long-term solvency of organizations is within an acceptable range. Total assets increased slightly over the reporting period.

# Results

## Equity

The Canada Council has demonstrated its leadership role in promoting equity as a critical priority in fulfilling Canada's artistic aspirations.

Diversity is an integral element of Canadian society, and of the arts ecology. The Canada Council catalyzes and advances equity research, policy, partnerships and dialogue to support artists and arts organizations from equity-seeking groups, with a particular focus on Aboriginal, culturally diverse, artists who are Deaf and artists who have disabilities, as well as artists and arts organizations from Official Language Minority Communities.

### Support to artists and arts organizations from equity-seeking communities

It is important to note that comparative analysis between equity-seeking groups presents challenges, especially due to identification.

| Community                              | 2014                 |         | 2015                 |         |
|--|----------------------|---------|----------------------|---------|
|  | Recipients (Ind/Org) | \$      | Recipients (Ind/Org) | \$      |
| (in thousands of dollars)              |                      |         |                      |         |
| Aboriginal                             | 258                  | \$5,953 | 256                  | \$5,942 |
| Culturally diverse                     | 485                  | \$8,671 | 493                  | \$9,684 |
| Deaf and disability arts               | 59                   | \$1,277 | 89                   | \$1,475 |
| Anglophone Official Language Minority  | 331                  | \$5,831 | 358                  | \$6,555 |
| Francophone Official Language Minority | 141                  | \$3,685 | 119                  | \$3,337 |

2014

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peer assessors came from one of the equity-seeking communities.

- The Market Access Strategy for Official Language Minority Artists, a component of the government-wide *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*, entered its second year. Over five years, this fund will invest \$2.75 million to assist Anglophone and Francophone minority artists and arts organizations to develop new markets and audiences.
- The Canada Council released Cultivate, four pilot programs that respond to specific challenges and needs of four underserved communities: Aboriginal, culturally diverse, Deaf and disability and Official Language Minority arts communities. Cultivate is the first arts funding program in Canada to have targeted funds for individual artists who identify as Deaf and or have disabilities. This initiative will inform the Council's new funding model.
- To commemorate the 10<sup>th</sup> Anniversary of the Canadian Coalition of Municipalities against Racism and Discrimination, the Canadian Commission for UNESCO commissioned a special edition of the publication *Canadian Diversity*, entitled "The Fight is Ours: The Potential of Municipalities to Eliminate Discrimination." The issue reflects on the work, challenges and successes of municipalities in the field of anti-discrimination and looks ahead to the next decade of the Coalition.

## Equity: A Core Value

Equity is a core value at the Canada Council. Initiatives to improve the access of specific communities to the Council's programs are paving the way for its new programs. This year, the Council launched the Cultivate initiative to nurture diversity in the arts and to map out how it will integrate equity processes in its new funding model.

The sector development component of Cultivate supported promising projects that make a significant impact. The Tangled Art and Disability organization invited the greater community to its Crippling the Arts conference on the practices of artists with disabilities and Deaf artists, and will be developing an accessibility toolkit. The Acadian Association of professional artists of New Brunswick offers mentorships to emerging and mid-career artists. The Black Artists Network Dialogue collaborated with Andrea Fatona to host a forum at the 56<sup>th</sup> Venice Biennale that brought together black critics and curators to strengthen their international presence.

The activities of the Canadian Commission for UNESCO also underscore the Council's support of an approach to sustainable development that is based on equity (see p. 22-23).



Musician Mark Brose and dancer Sahara Morimoto in *Geometry of the Circle*, Tangled on Tour: Thunder Bay. The tour also included performances in Ottawa and London. Photo: John Lauener



# Results

## Partnership

The Canada Council has extended its reach across the country and abroad and leveraged additional resources and a greater societal investment in the arts.

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The Canada Council promotes the arts and improves support to artists and arts organizations through timely investments in innovative partnerships. It advances its priority themes of public engagement, synergy and new technologies through collaborative work.

- The Canada Council partnered with the Atlantic Public Arts Funders (APAF), which includes the Newfoundland and Labrador Arts Council, PEI Council for the Arts, artsnb and Arts Nova Scotia, to produce *Petapan: First Light*, the first Atlantic-wide symposium of Indigenous artists and arts practitioners from Atlantic Canada. The event took place over three days in August 2014 at Millbrook First Nation in Nova Scotia. The financial contributions allowed 100 artists and art practitioners to attend at no cost. This event featured keynote speakers, artist talks, panel discussions, evening showcases, and seminars. Findings from the event informed the Council's evaluation of its support to Aboriginal arts.

The Canada Council undertook a number of research partnerships to further knowledge about the impact of the arts sector:

- The Canada Council is part of the consortium of federal and provincial agencies and departments that have supported the development of the Culture Satellite Account (CSA). The CSA measures the economic importance of culture and sport in the Canadian economy.
- The Canada Dance Mapping Study looks at the ecology of dance in Canada, in partnership with the Ontario Arts Council. In 2014-15, an inventory of dance organizations in Canada and a survey of Canadians who dance were completed and used to create interactive online tools.
- The Canada Council contributed to a study by Business for the Arts to investigate the business sector's motivations for supporting the arts. The Council also participated in a national series of roundtables to discuss the research findings, forging connections between public and private sector funders.
- The Canadian Commission for UNESCO's Associated Schools Project Network is comprised of 62 candidate and member schools in seven provinces across Canada. This project, with the support of the Canadian Centre for Diversity, is an annual activity that for the last six years had brought together over 200 Grade 5 and 6 students from five Winnipeg-area schools to engage in intercultural dialogue, understand and value different cultures and faiths, and learn about how different cultural communities address sustainable development issues.

## Arts Abroad

International markets are key to the success of Canadian artists. That's why in 2014-15, the Canada Council doubled its investment (from \$5 to 10 million) in this area, yielding great results and giving new insights about what artists and arts organizations need to be successful on the world stage. This knowledge is informing Arts Abroad, the Council's program under the new funding model that is dedicated to supporting international activities.

International partnerships optimize the investment: The Canada Council worked with the ImagineNATIVE Film + Media Festival and several international partners to present films by Indigenous peoples worldwide at the Berlinale International Film Festival's NATIVe-Indigenous Cinema. Canadians featured include Jeff Barnaby (Mi'gmaq), Helen Haig-Brown (Tsilhqot'in) and Amanda Strong (Métis)

The Canada Council also partnered with the Canadian Music Centre and Music on Main to showcase Canadian talent at Classical:NEXT in Rotterdam. Artists like Yannick Nézet-Séguin, the internationally-renowned conductor from Montréal, gave a keynote address via video, and young and innovative performers proved that Canadians are breathing new life into the classical genre. The Council also sent a delegation of artist representatives and Canadian orchestras to this annual forum, which attracts more than 1,000 professionals from 45 countries.



Amanda Strong, *Indigo*, 2014, one of the Canadian Aboriginal films presented during the European Film Market of the 2015 Berlin International Film Festival.

# Results

## Organizational Capacity

Enhance the Council's capacity to support the arts and implement change by strengthening structure, staffing and services.

The Canada Council is committed to ensuring that its own practices and policies are relevant and appropriate to its role as a federal crown corporation through a number of large-scale transformative changes in its work.

Much of the work undertaken this year as part of the Canada Council's organizational capacity has centered on preparing the organization for the transformation of its granting to a new funding model.

The Canada Council has:

- continued to engage in discussions and dialogue with Canadians and the arts community and consolidated trends and issues that have emerged from all consultations in recent years, highlighting the ideas that are informing its new suite of programs;
- furthered development of new technological systems to lessen the administrative burden on artists and arts administrators applying to Council's programs.

This year, the Canada Council expanded its reach using new technologies and social media to directly connect with Canadians and the arts community. In addition to in-person attendance, the Council's Annual Public Meeting was live-streamed, a total of 1,195 people viewed it online, and the meeting generated close to 1,000s tweet using the hashtag #Council15 and #Conseil15. By engaging stakeholders in the conversation around its new suite of programs, the Council enhanced its communications capacity to support its successful transformation.

In its first full year in its new offices on Elgin Street in downtown Ottawa, the Canada Council engaged with the public through a number of highly successful events and exhibits. These included a World Theatre Day celebration, public readings from winners of the Governor General's Literary Awards, and the exhibition of works from the Art Bank collection in the Ajagemô gallery space –including *Collecting Our Thoughts*, which showcased works by past winners of the Governor General's Awards in Visual and Media arts.

## Capacity for Transformation

The Canada Council continued to build its capacity to be a forward-looking, flexible organization with strong connections to the public and the arts community. A key part of this work is designing the new funding model which will make us more responsive to the needs of artists and the public and better able to report on our impact. In the meantime, it continued to reach out to the public in innovative ways, in person... online... and even in the air!

The Ajagemô space at our offices at 150 Elgin welcomed hundreds of visitors to Canada Council Art Bank exhibitions, book readings, musical performances and more. Our Annual Public Meeting, the best attended to date, attracted 115 participants in person and a total of 1,195 people viewed it online. Our Director and CEO had 22 speaking engagements in 5 cities to audiences within and beyond the arts community, including some that were shared online via live stream.

Our reach on social media expanded to close to 94,000 Twitter followers and over 12,000 likes on our Facebook page. We've developed interactive web-based tools to expand the way we share research about our funding across Canada (Stats and Stories), and about the myriad ways that Canadians participate in dance (Dance Wheel). We brought video portraits of the 2015 winners of the Governor General's Awards in Visual and Media Arts to air passengers through a partnership with Air Canada.



Dancer Natasha Bakht, performing at the Council's Annual Public Meeting.

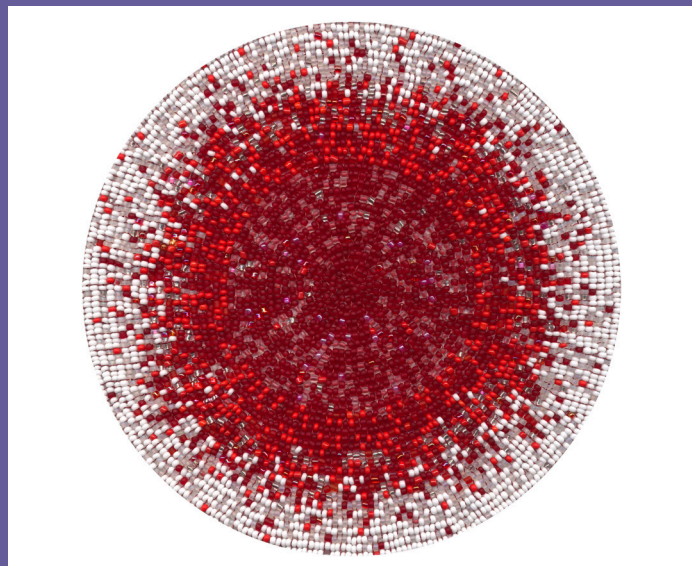


## Aboriginal Expressions

The Canada Council for the Arts established an Aboriginal Arts Secretariat more than 20 years ago. Over that time, Aboriginal art in Canada has flourished and is playing a vital role in healing, building identity and in expanding understanding within Aboriginal communities and amongst people across Canada and abroad.

This work has set the stage for a new Aboriginal program as part of the Council's new funding model to be launched by 2017. This groundbreaking Aboriginal program will take a self-determined approach: it will be articulated around the values and perspectives of Aboriginal artists, administered and assessed by Aboriginal artists; and its impacts evaluated and presented in an Aboriginal artistic and cultural framework.

In 2014-15, the Council was also proud to see many of the artists it has funded continue to be recognized with Canada's top honours: Inuk throat singer Tanya Tagaq (JUNO/Polaris), Algonquin visual artist Nadia Myre (Sobey Prize), and Cherokee author Thomas King (Governor General's Literary Award), to name a few. Inuit artists also continued to receive support through a three-year travel grant partnership between the Council and the Government of Nunavut.



Nadia Myre, *Meditation on Red #2*, 2013, digital print mounted under plexiglass, edition of 7. Courtesy of Art Mûr

## Notes on the Management's Discussion and Analysis section

For comparative purposes, the Canada Council's figures are based upon information as at May 1, or the next business day, of each fiscal year except in some cases where figures rely on data from final reports of the grants. As a result of changes in methodology, these figures are not necessarily comparable to figures in previous years' presentations.

- i. Data are taken from the following sources: *Consumer Spending on Culture in Canada, the Provinces and 12 Metropolitan Areas in 2008*; *Arts and Heritage in Canada: Access and Availability Survey, 2012*; *Patterns in Performing Arts Spending in Canada in 2008*.
- ii. Developed by Statistics Canada, the Canadian Culture Satellite Account (CSA) provides measures of the economic importance of culture and sport in Canada in terms of output, gross domestic product and employment, for reference year 2010.
- iii. Data are taken from the following reports: *Arts and Heritage in Canada: Access and Availability Survey, 2012*; *Public Opinion on the Value of Books in the English Language Book Sector, 2015*; *Building the Case for Business Support of the Arts, 2015*; *Findings from Yes I Dance: A Survey of Who Dances in Canada, 2014*.
- iv. Findings reported in Hill Strategies' *A Statistical Profile of Artists and Cultural Workers in Canada: Based on the 2011 National Household Survey and the Labour Force Survey*.
- v. Separate figures for writing and publishing are included because CADAC data used elsewhere in the report excludes book publishers and magazines.
- vi. The Canadian Arts Data/Données sur les arts au Canada (CADAC) is a web-based application dedicated to the collection of financial and statistical information about Canadian arts organizations, excluding book and magazine publishers. Notably, financial figures from CADAC are reconciled, while statistical data represent what is reported by organizations and may include double counting. The CADAC data reported here reflect a sample based on CADAC figures as of May 12, 2015, as reported by 545 organizations receiving Canada Council operating funding over the past four years. While these organizations are all recipients of Council funding, it should be noted that the results include other earned private and public revenue and are not solely attributable to Canada Council funding. A subset of this sample includes 80 organizations from equity-seeking communities. It is important to note that figures in previous annual reports are not comparable due to changes in the sample which include different organizations depending on reporting. Data are removed, in rare instances, when the exceptional circumstance of one organization skews the overall picture of the whole group.
- vii. Debt to assets ratio: A measure of total liabilities relative to total assets. A ratio of less than 1.0 is considered healthy. A high or increasing value may indicate future problems with solvency.

**Our goal:**  
sustainable development  
that includes culture,  
equity, peace and  
the arts.

3

UNEVOC  
Centres

## The Canadian Commission for UNESCO and the Canada Council for the Arts

63

municipalities part of the Canadian  
Coalition of Municipalities against  
Racism and Discrimination

The Canadian Commission for UNESCO (CCUNESCO) strengthens the Canada Council's organizational capacity at the local, national and international levels. Its initiatives and the work of its networks, partnerships, university chairs and sectoral commissions stimulate active, participatory engagement. They also support sustainable development based on principles that promote culture, equity, inclusion, openness, democracy and freedom of expression, and enhance knowledge, innovation and scientific research. The Canada Council has embarked on a vast process of transformation to renew its mandate to reach out to Canadians, and the revitalized synergy between the Council and CCUNESCO scales up their overall impact on Canadian society.

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Biosphere Reserves

The CCUNESCO's 2014-15 report on activities outlines the results of its many initiatives and gives a sense of the concrete ways in which it fosters grassroots civic engagement, mobilizes experts nationally, and ensures that Canada plays an active role in UNESCO at the international level. These results are achieved within UNESCO's five fields of expertise: education, science, culture, communication and information. The detailed report on the results of activities in 2014-15 is available on the Canada Council and CCUNESCO websites.

18

UNESCO  
Research Chairs

70

UNESCO  
Associated Schools

4

documentary heritage  
collections listed in the  
Memory of the World Register

# Highlights

## Sustainable development fuelled by creativity and citizen engagement

During the past year, the Canadian Commission for UNESCO supported development projects rooted in creativity and innovation, and in diversity of cultural expressions. For example, it had remarkable results in raising the awareness of young people in Winnipeg: the Commission partnered with five schools belonging to the UNESCO Associated Schools Project Network on an initiative that helped students to become more open to the cultures and religions of their peers. In another project, CCUNESCO partnered with the Office of the United Nations High Commissioner for Refugees to organize a Canada-wide poetry competition to encourage young people to think about refugee rights. It also collaborated with Montréal radio station CHOQ.ca to invite youth from around the world to enter a competition, *60 secondes de radio pour les jeunes*, to produce short radio clips on the theme of freedom.

Other on-the-ground initiatives were also effective. In observance of the International Day for the Elimination of Racial Discrimination, the CCUNESCO-created Canadian Coalition of Municipalities Against Racism and Discrimination rallied its members, with residents of Sault Ste. Marie, Ontario highlighting aspects of different cultures via Twitter (#saultculture), and the community of Kings County, Nova Scotia collectively creating a public artwork to symbolize the fight against racism.

## Sustainable development stimulated by generating and sharing knowledge

Sustainable development is about sharing, learning and taking action locally and nationally, with a global perspective. The CCUNESCO serves as a catalyst for Canadian experts to participate in forums that influence the development of our society and environment.

In this respect, significant progress was made in the Canadian Biosphere Reserves (where more than two million Canadians live) and in promoting arts, learning, universal access to cyberspace and sharing knowledge to support sustainable development and enhance community life. This was the case at an international symposium organized by the CÉLAT, an inter-university centre for the study of literature, arts and traditions (Quebec City, 2014) and at the UNESCO Forum on Global Citizenship Education (Paris, 2015).

Internationally, Canada played a leadership role in developing tools for professional technical training. At the UNESCO-UNEVOC Global Education and Skills Forum (Bonn, Germany, 2014), the presentation of an interactive platform developed by two professors from the Cégep de la Gaspésie et des Îles led to a collaboration among Germany, Norway and Canada to exchange best practices.

One outcome of the CCUNESCO's Sectoral Commissions' consultations on the UN's post-2015 Sustainable Development Goals (SDGs) was a recommendation to the Department of Foreign Affairs, Trade and Development (DFATD) to support the recognition and promotion of culture as a pillar of the new SDGs. Following the UNESCO International Conference on Global Geoparks (Saint John, New Brunswick, 2014), attended by 40 Canadian experts, CCUNESCO submitted several recommendations to DFATD, notably one on the need for economic development that is respectful of heritage, nature and local cultures.

## Creating, Learning and Sharing for Sustainable Development

This year, the Canadian Commission for UNESCO spearheaded several activities and supported many projects to foster understanding between cultures and personal development through sharing and transmitting cultural knowledge.

CCUNESCO supported several Innu youth to work with a group of experts to compile a directory of the main Innu sacred sites in Labrador and Northern Quebec, a project that was a direct result of an international conference on the sacred sites of Indigenous Peoples (Finland, 2013). Since youth participation plays a key role in transmitting technical expertise and intangible cultural knowledge between generations, this project helped promote and spread the best practices for sacred natural sites established by UNESCO and the International Union for Conservation of Nature.

Elsewhere, CCUNESCO contributed to artistic expression and bridging cultures at UNESCO's Colours for the Planet art camp in Andorra, where 30 visual artists from around the world learned intercultural skills and how to build international collaborations. In consultation with the Canada Council, CCUNESCO chose Marigold Santos from Montréal to represent Canada at this camp; it also funded the participation of Jeffrey Feeger from Papua, New Guinea to ensure that this region of the world was represented at the camp.



Left to right: A young academic, Innu youth and Innu elder documenting a sacred site. Photo: Eddy Malenfant



## Financial Overview

### HIGHLIGHTS

For the year ended March 31, 2015, the Council is reporting a surplus from operations of \$2.8 million. The current surplus is mainly attributable to the positive variance in net realized investment income and a reduction in transfer program delivery expenses.

2014-15 was the fourth year of the Council's five-year *Strategic Plan 2011-16*. The Council continued to deliver against the strategic directions and themes identified in the plan. Actual grants, prizes and author payments expenses amount to \$155.1 million for the year ending March 31, 2015, and are above the approved budget and the prior year related expenses. The Council's grants programs spending represents \$142.6 million and covers many disciplines and sectors: music, theatre, writing and publishing, visual arts, dance, media arts, inter-arts, audience and market development, equity and Aboriginal arts. During the current year, Council met its 2012 commitment to double its investment in dedicated international activities from \$5 million to more than \$10 million. The Council allocated \$2.8 million for prizes and awards programs that recognize excellence and innovation in Canada. In addition, it continues to support the Public Lending Right program with payments to authors amounting to \$9.7 million. The Council continues to review its programs, the way they are delivered, and supporting activities to ensure they remain relevant to Canadians. Future savings realized will continue to be reinvested into the arts sector. At \$32.5 million, the overall annual administrative expenses are \$1.2 million lower than the approved budget for the year.

The Council receives annual Parliamentary appropriations which, for the year ended March 31, 2015, were \$182.2 million (\$182.0 million in 2013-14). In January 2015, the Treasury Board Minister approved the Council's permanent renewal of the \$25 million, announced in the 2014 Federal Economic Action Plan, as part of Council's ongoing Parliamentary appropriations. This is excellent news as it provides a solid foundation for arts funding planning and budgeting purposes.

In 2014-15, the Endowment and Special Funds and the Killam Fund had positive annual returns of 10% (15.9% in 2013-14) and 10.4% (16.4% in 2013-14) respectively. In comparison to the prior year, the investment portfolio has grown by \$21.4 million with a fair value of \$344.5 million as at March 31, 2015. The annual results are attributable to favorable market conditions and diligent management of the portfolio in line with the Council's Statement of Investment Policies and Goals. The Council continues to closely monitor its portfolio's performance and risks. To ensure long-term real returns and maintain purchasing power, the Council has revised downwards its *Expenditure Policy* for the Killam Fund from 3.75% to 3.5% starting in 2014-15 and the same approach over two years is being used for the Endowment and Special Funds (3.75% for 2014-15 and 3.5% starting in 2015-16).

The Council has significant changes underway to its suite of information systems. The implementation was originally planned with a Customer Relationship Management (CRM) solution but Council has revised its approach to align with the launch of its new funding model in 2017. The revised interim approach consists of an accessible and intuitive portal along with a granting solution that will leverage existing technology. The long-term IT solution will be based on business requirements as defined by the new funding model and simplified processes. This new way of working will transform the Council operations. While reducing administrative costs, we foresee that the impact of the changes will be to increase effectiveness and efficiency of the current granting processes.

In 2014-15, the Council updated its risk assessment profile. The statement reconfirms the Council's low appetite for risks that could negatively impact the rigour and transparency of its granting processes, given that this is foundational to the legitimacy of the Council's mandate. Similarly, the Council has acknowledged the risk that the extent of internal simultaneous changes, if not properly mitigated, could adversely affect the productivity of employees.

That notwithstanding, the Council reiterated its high appetite for artistic risk including support of artistic aspirations, creativity and innovation.

#### Summary Financial Position as at March 31

| (in thousands of dollars)  | 2015              | 2014              |
|----------------------------|-------------------|-------------------|
| Total financial assets     | \$ 348,449        | \$ 327,448        |
| Total liabilities          | 83,859            | 82,091            |
| Net financial assets       | 264,590           | 245,357           |
| Non-financial assets       | 27,130            | 28,620            |
| <b>Accumulated surplus</b> | <b>\$ 291,720</b> | <b>\$ 273,977</b> |

#### Summary Statement of Operations for the Years Ended March 31

| (in thousands of dollars)                       | Budget 2015  | Actual 2015     | Actual 2014    |
|---|--------------|-----------------|----------------|
| Total revenue and Parliamentary appropriations  | \$ 192,420   | \$ 194,735      | \$ 190,992     |
| Total expenses                                  | 192,367      | 191,918         | 191,019        |
| <b>Annual surplus (deficit) from operations</b> | <b>\$ 53</b> | <b>\$ 2,817</b> | <b>\$ (27)</b> |

### FINANCIAL POSITION

#### Financial Assets

As at March 31, 2015, total financial assets were \$348.5 million, an increase of \$21 million over the previous year. Financial assets include the portfolio investments as well as those assets that are expected to be converted into cash or expensed within the next year.

As at March 31, 2015, the fair value of the Council's investments was \$344.5 million, an increase of \$21.4 million over the prior year.

The Council invests in units of pooled funds that are managed by professional investment managers. The Council's investments are guided by a *Statement of Investment Policies and Goals* and the *Board Statement of Investment Beliefs Policy*, which are both approved by the Board. The objectives of the portfolio are to generate long-term real returns to supplement the Parliamentary appropriations and to support the fellowships and prizes for the Killam Fund and Special Funds, while maintaining the purchasing power of the endowed capital. The Killam Fund and Special Funds represent contributions from non-owners that have been received by way of donation and bequest and have been restricted for specific purposes by the donors. The Killam Fund is required to be maintained in a separate investment portfolio that is consolidated for reporting purposes. The Special Funds are included with the Council's investment portfolio; a proportionate share for each contribution is calculated based upon the fair value of the investment portfolio at the time each contribution is received.

An Investment Committee composed of independent experts with experience in both the investment field and the asset classes in which the Council invests assists in the oversight and management of the portfolio. Two Council Board members are also Investment Committee members. In addition, the Council uses the services of an independent investment consultant to assist the Investment Committee in its work.

The Investment Committee reviews the Council's investment policy annually, and, as considered necessary and appropriate, recommends adjustments to the asset mix and to the diversification of the portfolio management structure. At each quarterly meeting during the year, the Investment Committee assessed the effect of implementation of the policy on the portfolio through regular updates from investment managers and a thorough review of the portfolio's performance.

Following a recommendation by the Investment Committee, the Council has adjusted its *Expenditure Policy* for the Killam Fund to reduce spending to 3.5% (3.75% in 2013-14) of the average of the market value of the fund over the last three years (effective in 2014-15). Council has also reduced the spending rate for the Endowment and Special Funds to 3.5% over two years (3.75% in 2014-15 and 3.5% starting in 2015-16).

The table below shows the actual comparative asset mix and the asset mix targets for the portfolio.

| Investment        | Asset mix 2014-15 |        | Asset mix 2013-14 |        |
|-------------------|-------------------|--------|-------------------|--------|
|                   | Actual            | Target | Actual            | Target |
| Canadian equities | 10%               | 10%    | 10%               | 10%    |
| Global equities   | 45%               | 40%    | 44%               | 40%    |
| Fixed income      | 26%               | 25%    | 24%               | 25%    |
| Alternatives      | 10%               | 10%    | 10%               | 10%    |
| Money market      | 2%                | 0%     | 6%                | 0%     |
| Real estate       | 4%                | 7.5%   | 4%                | 7.5%   |
| Infrastructure    | 3%                | 7.5%   | 2%                | 7.5%   |

The Investment Committee and senior management monitors closely the level of risk within the portfolio. In 2013-14, the Investment Committee undertook a detailed review of its asset allocation strategies and the desired levels of risk and made recommendation to the Board of Directors. The asset mix as at March 31, 2015 is progressing well toward meeting this new approved asset mix policy.

For the four years ending March 31, 2015, total fund return was 8.9% in comparison to a benchmark return for a portfolio of similar mix of 10%. For the year ended March 31, 2015, all asset classes provided positive returns except for Canadian Equities (-0.1%). With a net annual return of 10%, the Council is encouraged by the overall performance of the portfolio, especially the infrastructure asset classes (29.1%).

During the year, the Council realized net gains from disposal of portfolio investments of \$1.8 million along with \$13.1 million in interest/dividend income. At \$11.0 million, the current year net realized investment income has increased by \$3.7 million in comparison to the prior year. The main factor contributing to this increase is the improved performance of the fixed income asset class. This asset class generated an annual return of 10.1% in the current year in comparison to a negative return of 1.2% for the year ended March 31, 2014.

## Liabilities

As at March 31, 2015, total liabilities were \$83.9 million, an increase of \$1.8 million over the previous year. This increase is mainly due to the \$5.9 million increase in Deferred Revenues from externally restricted contributions. This liability consists of externally restricted investment income and accumulated gains which are being deferred until the resources are used for the specified purposes. The original externally restricted endowment principal of \$37.6 million is required to be maintained intact and is reported under accumulated surplus. This increase was partially offset by a reduction of \$2.1 million in grants, prizes and author payments payable.

The other liabilities include:

- grants, prizes and author payments payable of \$28.8 million which represent outstanding payments to successful applicants as at March 31, 2015;
- deferred revenues of \$7.1 million which is mostly related to the leasehold inducement at 150 Elgin, Ottawa, which is being amortized over the lease period of 20 years;
- employee future benefits of \$2.6 million representing the severance entitlements of the Council's employees and post-retirement benefits covering employees and retirees.

- accounts payable and accrued liabilities of \$2.5 million which represents outstanding payments to various suppliers/managers for services rendered and some payroll liabilities incurred as of March 31, 2015.

## Non-Financial Assets

Tangible capital assets include office equipment, leasehold improvements and work in progress related to the development of the new information management system. The decrease of this asset category of \$1.4 million in comparison to the prior year is attributable to the amortization expense of \$1.1 million and a write-down of \$0.7 million which were partially offset by acquisitions of \$0.4 million.

In December 2014, at the end of what was supposed to be the first phase of the development of an integrated client-facing "portal" application and a Microsoft Customer Relationship Management solution to manage grants/other activities, the Council found out that the solution delivered did not meet the initial requirements. As a result of detailed testing and assessment, Council mutually agreed with the service provider to end the contract. In January 2015 considering the ongoing Council transformation to support the development and implementation of a new funding model, management undertook an in-depth analysis of the technological needs and potential options going forward. Following this, the Council adopted an interim strategy to incrementally update its existing grants management capability to meet requirements associated with its new funding model and the simplified granting process.

Developing a long-term IT solution requires the analysis of business requirements, and reconciliation of these requirements with Council's priorities, available IT assets, and available human and financial resources. In March, the Council retained the services of an independent expert to develop a business case and options for a long-term IT solution (expected completion of the business case is Summer 2015) in order to make an informed decision on the option that offers best value-for-money and enables the Council to achieve its strategic goals and objectives within a context of efficiency and financial prudence. The prudent decision to cease the development of the Customer Relationship Management solution has resulted in the write-down of \$0.7 million of the cost capitalized in the Work in Progress during the year ended March 31, 2015.

The Council's Art Bank has the largest collection of contemporary Canadian art in Canada, with over 17,500 works, and rents the working collection to interested public and private sector organizations. The Art Bank collection is presented under Art Bank assets which are carried at cost \$19.4 million on the Statement of Financial Position as at March 31, 2015. The total appraised value of the collection is estimated at \$71 million as at March 31, 2015.

The Council's Musical Instrument Bank owns or manages 22 historically important, fine-stringed instruments and a fine cello bow, which are loaned to gifted young musicians for three-year terms. Musical instruments appear on the Council's Statement of Financial Position at a nominal value of \$1,000 as a reasonable estimate of the future benefits associated with such assets cannot be made.

At March 31 2015, the appraised and insured value of the musical instruments was US\$41.8 million.

## Accumulated Surplus

Accumulated surplus consists of the following elements as at March 31:

| (in thousands of dollars)                                 | 2015              | 2014              |
|---|-------------------|-------------------|
| Accumulated surplus                                       |                   |                   |
| Endowment - Original contribution                         | \$ 50,000         | \$ 50,000         |
| Endowment principal - Externally restricted contributions | 37,569            | 37,569            |
| Reserve for excess investment income                      | 124,445           | 122,445           |
| Surplus   | 25,743            | 24,926            |
| Total accumulated surplus from operations                 | 237,757           | 234,940           |
| Accumulated remeasurement gains                           | 53,963            | 39,037            |
| <b>Accumulated surplus balance</b>                        | <b>\$ 291,720</b> | <b>\$ 273,977</b> |

The \$50 million Endowment - Original contribution represents the original government transfer in 1957 of endowments to enable the Council to be established. The externally restricted endowment principal of \$37.6 million represents the original value of other endowment funds received by the Council over the years almost entirely from private individuals. By recording these values within accumulated surplus the endowments, while held separate, are in effect being treated as if they had been revenues.

The total reserve of \$124.4 million at March 31, 2015 represents the sum of excess investment income relating to the original endowment principal since the establishment of the Council.

## OPERATIONS

Summary Statement of Operations for the Years Ended March 31

| (in thousands of dollars)                       | Budget<br>2015 | Actual<br>2015  | Actual<br>2014 |
|---|----------------|-----------------|----------------|
| Parliamentary appropriations                    | \$ 182,083     | \$ 182,224      | \$ 181,974     |
| Net realized investment income                  | 9,127          | 11,027          | 7,347          |
| Other revenue                                   | 1,210          | 1,484           | 1,671          |
| <b>Total revenue</b>                            | <b>192,420</b> | <b>194,735</b>  | <b>190,992</b> |
| Transfer programs                               | 174,515        | 173,876         | 173,135        |
| Net Art Bank results                            | 259            | 327             | 165            |
| Canadian Commission for UNESCO                  | 2,323          | 1,951           | 2,132          |
| General administration                          | 15,270         | 15,764          | 15,587         |
| <b>Total expenses</b>                           | <b>192,367</b> | <b>191,918</b>  | <b>191,019</b> |
| <b>Annual surplus (deficit) from operations</b> | <b>\$ 53</b>   | <b>\$ 2,817</b> | <b>\$ (27)</b> |

The Council's net financial result for the year is a surplus of \$2.8 million in comparison to a balanced budget forecasting a surplus of \$53 thousand and a deficit of \$27 thousand for 2013-14. The current surplus is mainly attributable to a positive variance with budget of \$1.9 million in net realized investment income supplemented by an increase in other sources of revenue of \$0.3 million, a reduction of \$1.7 million in transfer program delivery spending, a reduction of \$0.5 million in arts community services spending, a reduction of \$0.4 million in Canadian Commission for UNESCO spending partially offset by an increase of \$1.6 million of reinvestment in grants and \$0.5 million in other expenses.

### Parliamentary Appropriations

The Council receives its main funding through Parliamentary appropriations voted by Parliament. The Council records the Parliamentary appropriations received in the period as revenue in the Statement of Operations. The Council submits a monthly cash flow analysis to the Department of Canadian Heritage to justify its monthly drawdown cash requirements. The monthly drawdown is invested in a short-term pooled fund managed by a professional investment manager from which the Council draws its daily cash requirements.

For the year ended March 31, 2015, the appropriations received by the Council were \$182.2 million, \$0.2 million more than in 2013-14. This increase relates primarily to funding received to deliver initiatives under the Roadmap for Canada Linguistic Duality.

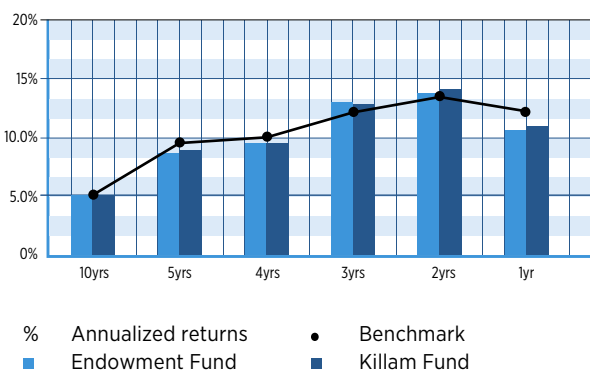
### Investment Income

The financial markets in which the Council invests are diversified and, in 2014-15, the Endowment and Special Funds and the Killam Fund had respectable annual returns of 10.0% (15.9% in 2013-14) and 10.4% (16.4% in 2013-14) respectively. The annual returns for the Endowment and Special Funds and the Killam Fund are, respectively, 2.9% and 2.5% below the benchmark of 12.9%. However the overall investment portfolio is performing well above the long-term objective of the Consumer Price Index (CPI) + 4.5%.

The following chart shows the annualized portfolio returns for various periods of the Endowment and Special Funds and the Killam Fund against the benchmark return. It shows the impact of the 2008 economic downturn and the subsequent recovery. Although there is a sense of recovery from the previous world-wide financial crisis with great performance for the health care, information technology and consumer discretionary sectors, risks remain and volatility is still present.



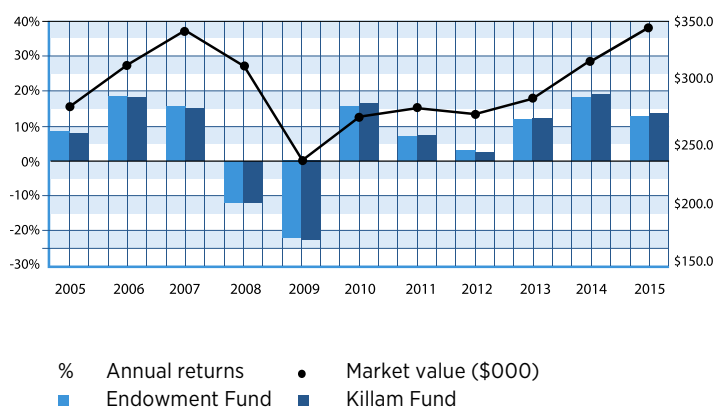
### Annualized Portfolio Returns (periods ending March 31)



The Council's investment policy prescribes for 2014-15 that cash can be withdrawn from the portfolio at a rate of up to 3.75% of the previous three-year average market value for the Endowment and Special Funds and up to 3.5% for the Killam Fund. Consistent with the *Expenditure Policy* for the Killam Fund, the Council's Board approved during the year a reduction of the *Expenditure Policy* rate for the Endowment and Special Funds from 3.75% to 3.5%, effective in 2015-16. This approach recognizes the need to balance return with the long-term preservation of capital.

The following chart shows the annual portfolio returns for the Council in each year since 2005 and the corresponding effect that those returns have had on the year-end market value. The chart also demonstrates how the investment market returns can fluctuate year over year. The Council reinvests excess investment income above the budgeted amount in order to ensure the continued growth of the fund. This proactive approach is intended to bring additional stability and long-term growth for the Council's investment portfolio.

### Annual Portfolio Returns (years ending March 31)



### Other Revenue

Other revenues include the cancellation of grants awarded in previous years, boardroom rental fees, donations, tax rebates, hosting fees and others sources of revenues.

### Program Expenses

Program expenses for the years ending March 31 include the following five components:

| (in thousands of dollars)          | Budget 2015       | Actual 2015       | Actual 2014       |
|------------------------------------|-------------------|-------------------|-------------------|
| Grants, prizes and author payments | \$ 153,580        | \$ 155,141        | \$ 153,640        |
| Transfer program delivery          | 18,418            | 16,697            | 17,246            |
| Arts Community services            | 2,517             | 2,038             | 2,249             |
| Net Art Bank results               | 259               | 327               | 165               |
| Canadian Commission for UNESCO     | 2,323             | 1,951             | 2,132             |
|                                    | <b>\$ 177,097</b> | <b>\$ 176,154</b> | <b>\$ 175,432</b> |

In 2014-15, program expenses accounted for 92% of Council's total expenses of \$192 million. This percentage is consistent with 2013-14. Overall program expenses are \$0.7 million more than the previous year and \$0.9 million less than budget.

The vast majority of the program expenses relate to grants, prizes and author payments at \$155.1 million which represents a \$1.5 million increase from previous year and \$1.6 million increase over budget. The Council is committed to maintain or increase the Grant, prize and author payments expenses in future years

Transfer program delivery costs represent the direct cost of operating the Council's grants, prizes and Public Lending Right programs. These include salaries, benefits, adjudication of programs, travel, professional services and prizes promotion. These costs are \$1.7 million below budget demonstrating the Council's constant efforts to exercise fiscal restraint and seek economies regarding these costs. The Council will continue to review programs and processes over the next two fiscal years as it is rolling out the new funding model.

Services provided for the arts community include other types of financial support such as partnerships (which provide funding to support the arts), research, workshop expenses, and program evaluation. These costs were lower than the previous year and budget by respectively \$0.2 million and \$0.5 million.

Net Art Bank results were \$0.3 million for the current year in comparison to net results of \$0.2 million last year. The loss reflects the challenges of a declining level of rental of its collection by the federal government. The Art Bank is aggressively seeking new sources of rental revenue in the private sector while continuing to ensure that its rental and outreach activities remain aligned to the mandate of the Council.

The Canadian Commission for UNESCO (CCUNESCO) was established by the Canada Council pursuant to a 1957 Order in Council. The CCUNESCO had net expenses of \$2.0 million in 2014-15, a decrease of \$0.4 million in comparison to budget. The CCUNESCO coordinates UNESCO program activities in Canada; encourages Canadian participation in UNESCO activities abroad, including the provision of expert advice and assistance from both governmental and non-governmental organizations; and provides advice about future UNESCO programs and budgets to the Department of Foreign Affairs and International Trade. The CCUNESCO also initiates activities in Canada to advance and obtain visibility for UNESCO's program objectives.

### General Administration

General administration expenses include the cost of the Council Secretariat, Communications and Corporate Services (which includes Finance, Human Resources, Information Management/Technology and Administrative Services). Items include salaries, benefits, travel, accommodation, professional services, amortization, and others. At \$15.8 million, these costs were aligned with those reported in 2013-14 (\$15.6 million) with a variance of 1%. The Council will continue to exercise fiscal restraint and seek efficiencies regarding general administration costs in the next fiscal years.

REMEASUREMENT GAINS AND LOSSES

The accumulated remeasurement gains from portfolio investments as at March 31, 2015 were \$54 million. These are the accumulated unrealized gains, net of reclassification to Statement of Operations, upon realization for changes in fair value of the Council's non-restricted portfolio investments.

RISK MANAGEMENT

Effective risk management is fundamental to the success of the Council in fulfilling its mandate. The Council is developing a strong risk management culture where risk management is a responsibility shared by all of its employees. The primary goals of enterprise risk management are to ensure that the outcomes of risk-taking activities are consistent with the Council's plans, strategies and risk appetite.

The Council's risk management framework consists of four key elements:

- Risk Governance;
- Risk Appetite;
- Risk Profile, assessment and mitigation; and,
- Financial Risk mitigation.

Risk Governance

The Council's risk management governance begins with oversight by its Board, either directly or through its committees to ensure that decision-making is aligned with strategies and risk appetite. The Board receives regular updates on the Council's key risks regarding its risk profile and related mitigation, financial performance and performance of the investment portfolio. The Council's executive management are responsible for risk management under the direct oversight of the Board.

In 2014-15, the Council updated its Corporate Risk Profile taking into consideration changes in the Council's risk environment. This included re-assessment of the risks and updates to the Council's significant potential risks as well as mitigation strategies. The overall risk universe is illustrated below:

| Corporate Risks  |   |  |  |
|--|---|--|--|
| Strategic  | Program Delivery  | Enabling Activities  | Compliance   |
| <b>Risk related to the strategic management of the Council and relationships with its shareholders and stakeholders</b>  | <b>Risk related to the Council's core granting processes</b>  | <b>Risks related to the Council's support and operational processes</b>  | <b>Risk related with external/internal requirements</b>  |
| <ul style="list-style-type: none"><li>• Revenue uncertainty</li><li>• Change overload</li><li>• Strategy execution</li><li>• Demonstration of results</li><li>• Stakeholder communications</li><li>• Resumption of business following a disaster</li><li>• Governance</li><li>• Clarity of decision making authorities/process</li><li>• Reactions to potentially adverse events</li></ul> | <ul style="list-style-type: none"><li>• Funding controversies</li><li>• Funding gaps / non-strategic duplication of funding</li><li>• Suite of programs / levels of funding</li><li>• Peer assessment process</li><li>• Rigor and transparency of the granting process</li><li>• Arts Services Unit support</li><li>• Research support</li><li>• Implementation of partnerships</li></ul> | <ul style="list-style-type: none"><li>• Information technology</li><li>• Breach of data privacy / security</li><li>• Human resource capacity / competency / succession planning</li><li>• Budget management</li><li>• Knowledge and records management</li><li>• Communication support</li></ul> | <ul style="list-style-type: none"><li>• Compliance with external requirements / obligations</li><li>• Compliance with internal financial policies and procedures</li><li>• Compliance with internal HR policies and procedures</li><li>• Compliance with internal granting policies and procedures</li></ul> |
| Canada Council for the Arts mandate: "to foster and promote the study and enjoyment of, and the production of works in, the arts"  |   |  |  |

Risk Appetite

The Council's risk appetite statement, as approved by the Board, remains as follows:

"The Canada Council for the Arts follows a prudent risk-taking approach in managing the organization. We define prudent risks as those seen to contribute to the organization's capacity to better deliver its mandate within a range of consequences that are well understood and appropriately mitigated.

The Council has low appetite for risks that could negatively impact the rigor and transparency of our granting processes, given that this is foundational to the legitimacy of the Council's mandate. Similarly, the Council has a low appetite to undertake financial risks that would negatively impact our cost-effectiveness and investment performance, given the critical importance of appropriately managing financial resources to our ability to provide funding and support to the arts community.

With regards to our suite of funding programs and support to the arts community, we have a low appetite for risks that would hinder our ability to be

flexible and responsive to changes in the arts ecology and economic conditions and a low appetite for risks that would adversely affect support of the arts infrastructure in Canada. That notwithstanding, the Council has a high appetite for artistic risk. Notably, we maintain a high appetite for risks related to the Council's support of artistic aspirations, creativity and innovation as this is essential to the development and evolution of a vital and diverse arts sector that enriches the lives of all Canadians. In that context, we have a moderate appetite for risks that could affect our ability to build and sustain reputational strength with key stakeholders.

To enable the Council to continuously improve its operating performance, we are willing to take on moderate risks for opportunities that could lead to improved internal structure, staffing and services as well as overall strategy execution. However, we will manage any risks taken in this regard within the constraints of our core values, organizational culture, and commitment to staff.

Ultimately, we will manage the organization in a way that will enable us to deliver on our mandate and strategic directions and to demonstrate results. We will be cautious in our acceptance of any risks that could hinder our abilities to do so.

The Council ensures that it fulfills its mandate and operates as a high performance organization through effective governance by its Board. The Council has a low appetite for any risks that would affect its capacity to independently govern itself.”

### **Risk Profile**

Using the Council’s risk appetite as key context, the following risks, as identified and assessed during the risk assessment process in 2014, are considered to be outside of the Council’s appetite:

1. inadequate Human Resources capacity;
2. inability to demonstrate results;
3. change overload; and
4. obsolete information technology systems.

Consequently, for these, focused updated risk mitigation strategies are being implemented under the oversight of assigned members of the executive management in order to reduce the risk exposure.

### **Financial Risk**

The Council is exposed to a variety of financial risks as a result of its activities. These include credit risk, liquidity risk and market risk. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council. A significant portion of Council’s receivables were deposited within 30-60 days after year-end and as such the related credit risk is very low. Liquidity risk is the risk that Council will not be able to meet its financial obligations as they fall due. The Council currently receives most of its revenues by way of Parliamentary appropriations drawn down monthly. That revenue is invested in a short-term pooled fund until it is required. The Council’s activities are primarily exposed to price risk, interest rate risk and currency risk. The directive to the Council’s investment managers is to manage the Council’s market risks on a daily basis in accordance with the Council’s policies. Overall market positions are monitored quarterly by the Investment Committee and the Board of Directors.



## Governance

# Governance

## Board Mandate

The Canada Council for the Arts is led by a Director/CEO appointed by the Governor in Council, and governed by a Board consisting of a Chair, Vice-Chair and nine other members from across Canada. Members are appointed by the Governor-in-Council for fixed terms. The Board meets at least three times a year and is responsible for the oversight of the organization's policies, programs, budgets and grant decisions.

As stewards of the Council, the Board oversees the organization's governance. It conducts the Council's business, directs Management and ensures that all major issues affecting the organization are given proper consideration. The Board is accountable to Parliament through the Minister of Canadian Heritage and Official Languages.

The general duties of the Board are described in the Canada Council's by-laws and *Governance Policy*.

### Highlights:

#### In 2014-15, the Board held four meetings in Ottawa, during which it:

reviewed and approved the approach to the Council's New Funding Model, along with the development of an updated Program Alignment Architecture, and the modernization of Council's electronic systems

approved grants over \$100,000

regularly reviewed the Board's representational requirements in preparation for Board vacancies, and discussed succession planning and transition in the Council's leadership

approved corporate policies in an effort to streamline practices and find efficiencies

launched a comprehensive governance review of its by-laws, *Governance Policy* and the governing documents of the Canadian Commission for UNESCO, Public Lending Right Program and the Killam Program

created the Ad Hoc Human Resources Advisory Committee

held the Annual Public Meeting at the Canada Council's offices at 150 Elgin Street, Ottawa, on January 20, 2015

## Board Independence

All members of the Board are independent directors. While the Director/CEO and Executive Management attend Board meetings to provide information and report on activities, only members may vote and make decisions. Board committees are composed of Board members, with some including external experts selected for their knowledge and expertise.

## Culture of Ethical Business Conduct

Board members, as public office holders, are bound by the federal government's *Conflict of Interest Act*, the *Ethical Guidelines for Public Office Holders*, as well as the *Code of Ethics for Canada Council Board Members*.

The Board is required to disclose any potential conflicts of interest on an annual basis, and as they occur throughout the year.

## Corporate Social Responsibility

The Canada Council is committed to carry out its role and mandate in a way that is guided by corporate social responsibility. As such, it strives to be a leader in terms of social, ethical and environmental policies and practices, and considers social, ethical and environmental impacts in all decisions.

In an effort to fulfill this commitment, the Council:

- conducts its business with honesty, integrity and fairness, and ensures ethical considerations and implications are embedded in all decision-making processes;
- works with and is inspired by the community it serves – Canadians, as a whole. It strives to enrich the lives of Canadians through a vital and diverse arts sector and cultural engagement
- strives to provide an organizational climate that encourages well-being, and stimulates and supports employee performance and development;
- is forward-thinking and proactive in reducing its environmental footprint, and incorporates environmental sustainability considerations into all its activities; and
- recognizes the importance of public accountability and open communications, and it conducts its business in a transparent manner in order to maintain the trust and confidence of its stakeholders.

The Board oversees these commitments and is responsible for integrating social, environmental and ethical considerations into all Board-related matters. The Council's *Corporate Social Responsibility Statement of Principles* is available at [canadacouncil.ca](http://canadacouncil.ca).

## Appointments

The Board advises the government on appropriate selection criteria for the Chair and Vice-Chair of the Board, as well as competency profiles and future needs for Board members and for the position of Director/CEO. Skills and expertise profiles were provided to the Minister of Canadian Heritage in response to vacancies in 2014-15. In early 2015, with the sudden passing of Chair Joseph L. Rotman on January 27, 2015, the Council began discussions with Canadian Heritage to appoint a new chair in a timely manner to ensure the continued stability and leadership of the Board.

Following an extensive search process led by Privy Council, Director/CEO Simon Brault was appointed for a 5-year term, effective June 26, 2014. Cheryl Sharfe (Winnipeg, Manitoba) was appointed for a four-year term, effective October 30, 2014. At March 31, 2015, there was one (1) Board vacancy.

## Board Orientation and Continuing Education

All new Board members are required to attend the Orientation for Directors of Crown Corporations offered by the Canada School of Public Service. This program has been designed to provide directors with information on their basic roles and accountabilities, the unique circumstances of Crown corporation governance, including the limits on the powers of Crown corporation boards and their relationship with the Government. Two Board members attended this session in 2014-15.

New Board members receive a comprehensive information package prior to their first meeting. At their first Board meeting they have an orientation session with Executive Management and sit in on all committee meetings (with the exception of the Investment Committee). They are also assigned a mentor to facilitate their orientation.

In 2014-15, as part of a continuing education program, Board members participated in the following professional development sessions led by Council staff:

- Trends in the Writing and Publishing Sector (June 2014)
- Peer Assessment: Focus on Decision-Making, Communicating Results, and Relationship with the Arts Community (October 2014)
- Board Outreach and Public Relations (January 2015)

Board members participated in an interactive session with guest speaker Greg Lindsay on the subject of public engagement in October 2014. They also participated in external courses, workshops and conferences offered by professional associations and other organizations and experts.

## Performance Evaluation

Every year, under the direction of the Governance and Nominating Committee, the Board evaluates the performance of the full Board and its committees. Work was undertaken throughout 2014-15 to implement the recommendations resulting from the Board evaluation of the previous year.

Under the direction of the Executive Committee, the Director/CEO's performance is assessed annually by the Board, according to the *Privy Council Office's Performance Management Program for Chief Executive Officers of Crown Corporations*. The Board communicates the results of the Director/CEO's annual performance evaluation to the Minister of Canadian Heritage and Official Languages.

## Communications and Reporting

In accordance with specific Acts and Regulations, and to ensure ongoing communications and transparency, the Council submits a number of reports on an annual basis to different government departments in line with deadlines set by the legislation and/or the responsible departments.

### Annual Public Meeting

On January 20, 2015, the Council held its Annual Public Meeting in Ottawa. It reported on its recent activities and plans for the future, and received feedback from interested stakeholders. The Director/CEO, the Vice-Chair and eight other members of the Board, as well as senior staff, were present. The meeting was also livestreamed across the country. The Minister of Canadian Heritage and Official Languages, the Honourable Shelly Glover, addressed guests at a reception following the meeting.

The Annual Public Meeting reached a large audience, including approximately 75 guests on site and 850 online via the livestream that day, and the number of viewers continue to grow. There were close to 1,000 tweets and over 200 posts and likes on Facebook. High levels of engagement on Twitter are also reflected in the number of questions, shares, likes and use of the hashtags #Council15 and #Conseil15 in conversations @CanadaCouncil and beyond. There were also over 4,500 views of the Council blog post, On the Development of a New Arts Funding Model at Council, following the meeting. The meeting and announcement generated a sustained interest in media across the country as well. Speeches, a video of the Annual Public Meeting, and a full list of news coverage are available on the Council's website.

### Access to Information Act and Privacy Act (ATIP)

An annual ATIP report is submitted to Canadian Heritage, and tabled in Parliament, that includes statistical data on the Council's administration of the Acts.

### Canadian Multiculturalism Act

The Canada Council's Equity Office is responsible for the requirements of the *Canadian Multiculturalism Act*, and for completing an Annual Report on the Operation of the *Canadian Multiculturalism Act*. This report is submitted annually to the Department of Citizenship and Immigration.

### Employment Equity Act

As a federal organization with over 100 employees, the Canada Council's Human Resources division files an annual Employment Equity Report with Human Resources and Skills Development Canada.

### Official Languages Act

The Canada Council is responsible for implementing Parts IV, V, VI and VII of the *Official Languages Act*. It submits a multi-year action plan to the Department of Canadian Heritage regarding section 41 of Part VII of the Act. The current plan was submitted in January 2012 and will be in effect until 2016. The Council also presents an annual report detailing its activities under Parts IV, V, VI and VII to the Department of Canadian Heritage and Official Languages and the Treasury Board Secretariat.

With its networks in civic society and in education, the Canadian Commission for UNESCO, which is part of the Canada Council, encourages sustainable development in which culture is expressed in all its diversity. Its Executive Committee, chaired by Christina Cameron, determines the issues of interest for UNESCO and Canada. CCUNESCO Board Members representing the Council: Simon Brault, Barbara Burley and Louise Filiatrault.

## Board Committees

Board committees enhance the overall effectiveness of the Board by ensuring closer focus, oversight and monitoring of areas of particular concern. The committees' roles, responsibilities and reporting requirements are defined in the Council's by-laws. There are four standing committees of the Board:



### Executive Committee

Acts on behalf of the Board (with exceptions related to the approval or amendments of by-laws, policies, budgets, financial statements, grants or the Annual Report) in the interval between meetings of the Board.

Membership: Joseph L. Rotman (Chair; until January 2015), Nathalie Bondil, Barbara Burley and Beverley K. Foy.

### Audit and Finance Committee

Provides oversight of the Council's financial performance and ensures the integrity, effectiveness and accuracy of Council's financial reporting, control systems, integrated risk management processes and audit functions.

Membership: Beverley K. Foy (Chair), Isabelle Hudon, Luc LaRochelle, and Anna Porter. At March 31 there was one vacancy.

### Governance and Nominating Committee

Ensures that proper structures and processes are in place for the effective oversight and direction of the Council's activities.

Membership: Barbara Burley (Chair), Howard Jang, David McKay, Cheryl Sharfe and Brenda Stehelin.

### Investment Committee

Oversees and provides expert advice on the Council's investment portfolio, including recommending Board policies with respect to investments, hiring professional fund managers and monitoring their activities.

Membership: Beverley K. Foy, Anna Porter and the following external experts: George Mavroudis (Chair), Kiki Delaney, Mark Jenkins, Eric Kirzner, Ann Marshall, and John Montalbano.



The Board's Investment Committee is comprised of leading experts who contributed their considerable knowledge, expertise and dynamism to overseeing the overall performance of the investment portfolio and to developing and implementing the Council's Investment Policy and Goals. From left to right: Eric Kirzner, John Montalbano, Ann Marshall, George Mavroudis (Chair), Anna Porter (Board member) and Beverley K. Foy (Board member). Absent: Kiki Delaney, Mark Jenkins.

### Ad Hoc Committees

The Ad Hoc Board Public Engagement in the Arts Working Group, comprised of Board members and staff, identifies strategies and actions that will help the Council in fostering and advancing a public conversation on the expressive needs and aspirations of the citizenry at large, and by broadening its messaging to make clearer how culture and the professional arts sector is benefiting all Canadians.

The Board members on the working group at March 31, 2015 are: Isabelle Hudon (Chair) and Howard Jang.

The Ad Hoc Human Resources Advisory Committee, comprised of Board members and staff, was created in 2014. The purpose of this committee is to act as a sounding board and provide advice and strategic direction to management human resources issues. The Board members on the committee at March 31, 2015 are: Isabelle Hudon (Chair) and Barbara Burley.

### Advisory Groups

Certain Board members also serve on other bodies within the Canada Council: Barbara Burley serves on the Executive Committee of the Canadian Commission for UNESCO; Anna Porter serves on the Public Lending Right Commission.

### Proactive Disclosure

The disclosure of grants and contributions, travel and hospitality expense information of senior executives, contracts entered into for amounts over \$10,000, the reclassification of positions and summary reports of completed access to information requests are posted on the Council's website.

### Disclosure of Wrongdoing

In compliance with the Council's *Policy on the Internal Disclosure of Wrongdoing in the Workplace*, which is based on the requirements of the *Public Servants Disclosure Protection Act*, a quarterly report on the disclosure of wrongdoing in the workplace is provided to the Audit and Finance Committee. In 2014-15, there were no internal disclosures of wrongdoing in the workplace.

### Remuneration

Board\*: \$98,658 (fixed by Governor in Council)  
Director/CEO: \$212,700-\$250,200 (fixed by Governor in Council)  
Executive positions: \$105,700-\$155,900

\*This represents the collective amount paid to all Board members in 2014-15.

### Executive Management

At March 31, 2015, the Executive Management Group consisted of Simon Brault, Director/CEO<sup>1</sup>; Laurie-Eve Bergeron, Director, Human Resources<sup>2</sup>; Michelle Chawla, Corporate Secretary and Director, Strategic Initiatives; Louise Filiatrault, Secretary-General, Canadian Commission for UNESCO<sup>3</sup>; Roger Gaudet, Director, Arts Disciplines; Pascale Legault, CFO and Director, Finance and Administration; Tammy Scott, Director, Communications and Arts Promotion.

1. Effective June 26, 2014; Robert Sirman was Director/CEO until June 25, 2014.
2. Effective November 3, 2014.
3. Effective September 3, 2014.

## Board and Committee Meetings and Attendance (April 1, 2014 to March 31, 2015)

|                             | Board Meetings | Executive Committee | Investment Committee | Audit and Finance Committee | Governance & Nominating Committee |
|-----------------------------|----------------|---------------------|----------------------|-----------------------------|-----------------------------------|
| Total # of Meetings         | 4              | 7                   | 4                    | 6                           | 5                                 |
| Joseph L. Rotman, Chair     | 2/3            | 6/6                 |                      |                             |                                   |
| Nathalie Bondil, Vice-Chair | 4              | 3                   |                      |                             |                                   |
| Barbara Burley              | 4              | 7                   |                      |                             | 5                                 |
| Beverly K. Foy              | 4              | 6                   | 4                    | 6                           |                                   |
| Isabelle Hudon              | 4              |                     |                      | 6                           |                                   |
| Howard Jang                 | 4              |                     |                      |                             | 5                                 |
| Luc LaRochelle              | 3              |                     |                      | 4                           |                                   |
| David McKay                 | 4              |                     |                      |                             | 5                                 |
| Anna Porter                 | 4              |                     | 2                    | 6                           |                                   |
| Cheryl Sharfe               | 2/2            |                     |                      |                             | 1/1                               |
| Brenda Stehelin             | 4              |                     |                      |                             | 5                                 |

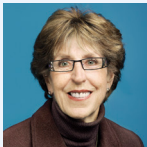
Notes: J.L. Rotman passed away January 27, 2015. Cheryl Sharfe was appointed October 30, 2014.

## Board Members



Chair (vacant)

Nathalie Bondil, Vice-Chair  
Montréal, Quebec



Barbara Burley  
St. Andrews, NB



Beverly K. Foy  
Calgary, AB



Isabelle Hudon  
Montréal, QC



Howard Jang  
Vancouver, BC



Luc LaRochelle  
Montréal, QC



David McKay  
Fredericton, NB



Anna Porter  
Toronto, ON



Cheryl Sharfe  
Winnipeg, MB



Brenda Stehelin  
Whitehorse, YT