



# TOGETHER WITH PURPOSE

ANNUAL REPORT 2019-20



Canada Council  
for the Arts

Conseil des arts  
du Canada

# TOGETHER WITH PURPOSE



Cover: Celeste Bernard plays Canadian civil rights activist Viola Desmond in *Witness*, a production of Halifax, Nova Scotia's Voices Black Theatre Ensemble, written and directed by David Woods. Still from a video by Gee Clarke. Courtesy: Voices Black Theatre Ensemble

Zacharias Kunuk and the Isuma collective represented Canada at the 2019 Venice Biennale. Their project, *Silakut: Live from the Floe Edge*, was disseminated online, from Nunavut to Italy. It showed consultations with hunter families on the impact of an expansion proposed by an Igloolik-based international mining company. Throughout his career, Zacharias Kunuk has received numerous grants from the Canada Council for the Arts. Photo: Isuma Distribution International, 2019



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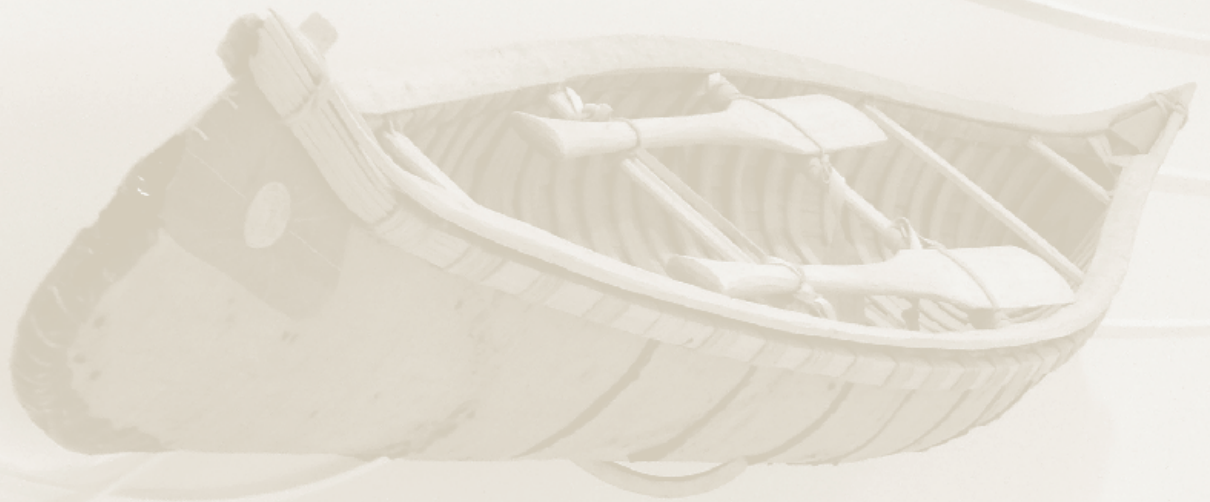
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The 63<sup>rd</sup> Annual Report of the Canada Council for the Arts and supplementary information on grants services, and prizes are available on the Council's website.



THE CANADA COUNCIL FOR THE ARTS  
ACKNOWLEDGES THE LAND ON WHICH ITS  
OFFICES ARE LOCATED IS THE UNCEDED,  
UNSURRENDERED TERRITORY OF THE ANISHINABE  
ALGONQUIN NATION WHOSE PRESENCE HERE  
REACHES BACK TO TIME IMMEMORIAL.

The Council recognizes the Algonquins as the customary keepers and defenders of the Ottawa River Watershed and its tributaries. We honour their long history of welcoming many Nations to this beautiful territory and uphold and uplift the voice and values of our Host Nation.

Further, the Council respects and affirms the inherent and Treaty Rights of all Indigenous Peoples across this land. The Council has and will continue to honour the commitments to self-determination and sovereignty we have made to Indigenous Nations and Peoples.

The Council acknowledges the historical oppression of lands, cultures, and the original Peoples in what we now know as Canada and fervently believes the arts contribute to the healing and decolonizing journey we all share together.

For Indigenous people, the canoe holds a special and unique place in their relationship with the land.

Virtually unchanged for thousands of years, now used and enjoyed by generations of Canadians, the canoe is an enduring symbol of Indigenous presence, cultural continuity, and our shared future on this land. Algonquin canoes are made of birch bark and sewed with spruce roots. Its construction speaks to the relationship the Algonquin Peoples have with the environment around them; a relationship built on respect for the interrelationship of all things. The canoe epitomizes the relationship with our Mother, the Earth, and the waterways that are its lifeblood.

The canoe and the “idea” of the canoe give us an opportunity to pause and reflect on this most vital of relationships.

The Algonquin Canoe, 2012, Daniel (Pinock) Smith, birch bark canoe, cedar ribs, cedar paddles. Canada Council Art Bank collection. Photo: Sandra Dyck

This canoe is on permanent display in the Âjagemô art space, located at the Canada Council's offices in Ottawa.

## MANDATE

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The Canada Council for the Arts is Canada’s public arts funder, with a mandate “to foster and promote the study and enjoyment of, and the production of works in, the arts.”

The Council champions and invests in artistic excellence through a broad range of grants, services, prizes, and payments to professional Canadian artists and arts organizations. Its work ensures that excellent, vibrant, and diverse art and literature engage Canadians, enrich their communities, and reach markets around the world.

The Council also raises public awareness and appreciation of the arts through its communications, research, and arts promotion activities. It is responsible for the Canadian Commission for UNESCO, which promotes the values and programs of UNESCO in Canada to contribute to a more

peaceful, equitable, and sustainable future. The Canada Council Art Bank operates an art rental program and furthers public engagement with contemporary arts.

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

A federal Crown corporation created through an Act of Parliament in 1957, the Council reports to Parliament through the Minister of Canadian Heritage. It receives funding from Parliament and its annual budget is supplemented by endowment income, donations, and bequests.

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With Haroula Rose, filmmaker Mike Hoolboom, from Toronto, receives the Lifetime Achievement Award at the Efebo d'Oro Festival, which was held from October 14 to 19, 2019, in Palermo, Italy.





“THE ORGANIZATION NOW HAS THE ADVANTAGE TO DELIVER ROBUST, INFORMED SOLUTIONS THAT RESPOND TO THE MANY CHALLENGES CONFRONTING THE ARTS SECTOR.”

## Message from the Chair

This past year marks the last in my five-year term as Chair of the Canada Council for the Arts' Board, a remarkable capstone for this rich period of growth and transformation in the organization.

At the start of my term, the Council set out on a journey to fulfill its dual mandate even more strongly—that is, to support both artistic creation *and* the enjoyment of the arts by Canadians. The launch of a new strategic plan in 2016, *Shaping a New Future*, marked the beginning of this journey as it articulated a new vision for the Council and the arts more broadly.

As part of its transformation, the Council also implemented important analytics tools and processes to understand its role more clearly and make data-driven decisions that strengthen the impact of its investments. These tools and processes have been equally important to the Board as they help us oversee the organization's progress. With the emergence of the COVID-19 pandemic, the Council's increased capacity to gather knowledge about the arts becomes even more important. The organization now has the advantage to deliver robust, informed solutions that respond to the many challenges confronting the arts sector.

More than presenting challenges, this moment inspires artists to reshape our society by creating work in innovative ways and engaging with audiences anew. To ensure the arts continue to seize the opportunities ahead, the Council will reimagine its work as it develops its next strategic plan—which it will launch in 2021. The Board looks forward to many enriching conversations over the coming year to help shape this next plan.

The Council will hold similar conversations in the coming year with its many stakeholders—artists, arts and culture workers, and citizens across Canada. Altogether, we must consider how the Council's next strategic plan can address areas of long-standing concern that the COVID-19 pandemic has intensified—notably, the resilience and sustainability of the arts sector. We must also think carefully on the role of digital expression in our new context. Moreover, our conversations must be far-reaching and inclusive so that the Council supports an arts sector that reflects Canada's

diversity. I am confident our approach will produce a plan to guide the arts through this period of great change.

I would like to extend my sincere thanks to Simon Brault for his leadership this past year, guiding the organization in the successful pursuit of its commitments and through the early days of the COVID-19 pandemic. What is more, his role as Chair of the International Federation of Arts Councils and Culture Agencies (IFACCA), has marked the global recognition of, and interest in, the Council's impressive transformation under his leadership. I would also like to salute the Council's management and expert staff who help actualize the organization's many aspirations.

The Council's achievements in 2019-20—which you will discover in these pages—seem even more special as the world faces the unknowns that come with the disruption of a pandemic. I complete my term with the satisfaction of knowing the Council is a truly transformed public organization in terms of its structure, strategies, and budget—empowering it to navigate new and emerging realities so that the arts remain a vital part of all Canadians' lives.

**Pierre Lassonde, C.M., O.Q.**  
Chair

Dancers Luca "Lazylegz" Patuelli (Canada) and Jacob "Kujo" Lyons (U.S.A.) of Montréal-based ILL-ABILITIES. This international breakdance crew of seven dancers from around the world performed at the 2019 Festival Internacional Cervantino, which featured Canada as the guest country.







“ARTISTS AND ARTS ORGANIZATIONS  
DEMONSTRATED IMAGINATION AND  
RESILIENCE BY GIVING PEOPLE  
CONTINUED ACCESS TO THE ARTS...”

## Message from the Director and CEO

At the end of the Canada Council’s fiscal year in March 2020, COVID-19 had been officially declared a pandemic. The human losses and financial impacts were felt immediately by the entire arts sector. Although the extent of the devastation could have proved overwhelming, it emphasized instead just how essential the arts are to daily life—and even more so in a time of crisis. Artists and arts organizations demonstrated imagination and resilience by giving people continued access to the arts, while governments and support organizations were quick to help the sector.

The Canada Council anticipates the repercussions of this crisis will be felt for a long time to come. The arts sector is undoubtedly entering a period of uncertainty, but such moments of adversity often allow the innovativeness of our sector to come to the fore. In light of the crisis, the Council will draw on its strengths as a partnering institution and government influencer to provide robust support to creators and ensure optimal access to the arts for all. These efforts coincide with the Council’s various stakeholder engagements this past year towards the development of our 2021-26 strategic plan. We are reviewing existing operational models so that we can optimize the impact of our funding as the pandemic will require a concerted, collective effort. I am confident in our shared commitment to strengthen the role of the arts in the sustainable development of our society.

In our current strategic plan, we made significant commitments. As can be seen in the outcomes from the fourth year of this plan—described throughout this report—we have met or continue to work towards meeting these commitments. Our flexibility in reaching our commitments and our work to communicate their importance has confirmed and strengthened our expertise and positioned us as an essential player in the funding of the arts.

Over the past year, I have spoken on several platforms about the importance of a renewed cultural diplomacy. The arts can create forums for discussion that reach far beyond the usual approach. And I would like to mention once again the crucial role of international networks like the Canadian Commission for UNESCO (CCUNESCO) and the International Federation of Arts Councils and Culture

Agencies (IFACCA). These networks foster the transnational sharing of knowledge and give the arts a leading role in the sustainable, fair, and democratic development of our societies as well as the renewal of cultural diplomacy.

Ultimately, the goal of a renewed cultural diplomacy is to create forums for discussions that centre on how the arts foster respect, empathy, and openness. A renewed cultural diplomacy also makes people more aware of the interdependence of the arts, public funding, and the presence of diverse voices from Canada throughout the world. And because we live in a world that is paradoxically disconnected on account of globalization, all of us have a vested interest in supporting and participating in these forums. The current crisis highlights the need to create even more spaces for discussion.

This past year also underscored the renown of Canada and its artists around the world, whether at the Edinburgh Festival, the Venice Biennale, or the Festival Internacional Cervantino. Just before the pandemic, I attended the Marché des Arts du Spectacle d’Abidjan / Abidjan Performing Arts Market (MASA) in the Ivory Coast, where Canada was this year’s guest country. While there, I discovered how this market is an important gathering space for artists and arts organizations—from both Canada and countries across Africa—to come together to exchange ideas and create new work.

I would like to conclude by paying tribute to artists, arts groups, and organizations—and, in particular, those we fund. At the close of this difficult year, they have demonstrated both tenacity and resilience. In the past few years, they have continued to show creativity and imagination, forging long-lasting ties with Canadians.

**Simon Brault, O.C., O.Q.**  
Director and CEO

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## OUR COMMITMENTS

*Shaping a New Future*, the Canada Council for the Arts' strategic plan for 2016-21, outlines four commitments:

1



### Arts Support

Increase support to artists, collectives, and organizations striving for artistic excellence and greater engagement in the arts by an increasingly diverse public.

2



### Digital

Amplify the quality, scale, and sharing of Canadian arts through digital technology.

3



### Indigenous

Renew the relationship between Indigenous artists and Indigenous and non-Indigenous audiences for a shared future.

4



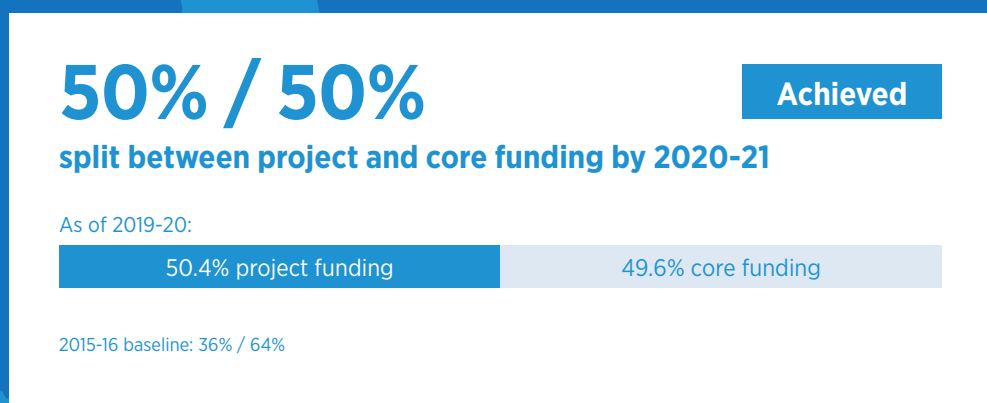
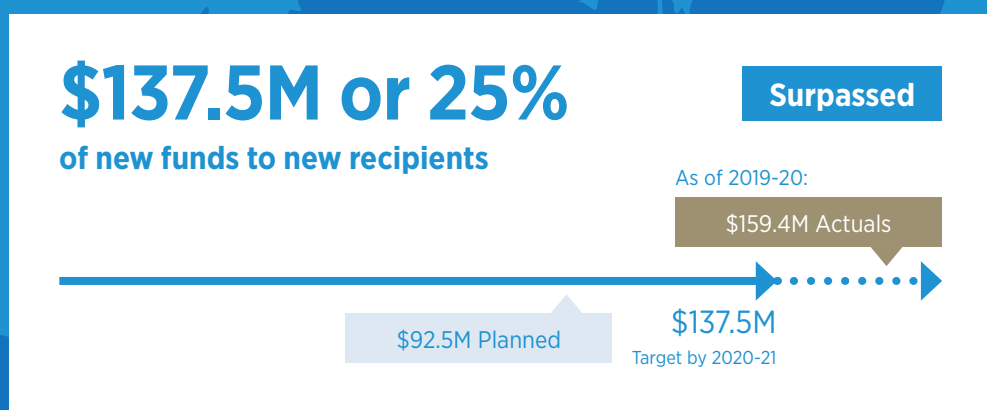
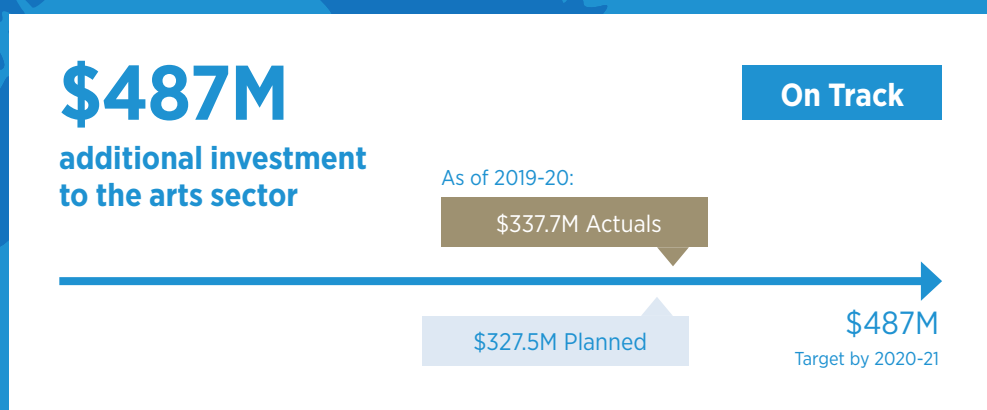
### International

Raise the international profile of Canadian art and artists.

The Council will also continue to deepen its long-standing commitment to **equity and inclusion**, including for the next generation of artists and audiences.

# MAKING PROGRESS ON STRATEGIC FUNDING COMMITMENTS

In 2016, the Government of Canada committed to doubling the Council's budget over the following five years. Of the additional \$550M the Council will receive between 2016 and 2021, it will invest \$487M (or 88.5%) directly into the arts sector. As of 2019-20, the Council has received \$370M (or 67.3%) of the \$550M in additional investment. The Council has committed to investing this money in ways that will maximize its impact on the arts and their presence in the lives of Canadians. Here is the progress the Council has made on its commitments so far.



# \$88.5M

to a digital fund

**In Progress**

As of 2019-20:

\$50.3M Actuals

\$56M Planned

\$88.5M

Target by 2020-21

# \$18.9M or 3X

to support Indigenous creation

**Achieved**

In 2019-20:

\$19.3M Actuals

\$6.3M

2015-16 baseline

\$18.9M

Target in 2020-21

# \$20M or 2X

the support for international activities

**Surpassed**

In 2019-20:

\$33.3M Actuals

\$10M

2015-16 baseline

\$20M

Target in 2020-21

# OUR 2019-20 FUNDING AT A GLANCE

**2,145**

ARTS ORGANIZATIONS RECEIVED \$195.7M IN FUNDING, OF WHICH 379 WERE FIRST-TIME RECIPIENTS AWARDED A TOTAL OF \$14.5M

**3,288**

ARTISTS RECEIVED \$62.2M IN FUNDING, OF WHICH 1,371 WERE FIRST-TIME RECIPIENTS AWARDED A TOTAL OF \$19.5M

**456**

GROUPS RECEIVED \$14.6M IN FUNDING, OF WHICH 227 WERE FIRST-TIME RECIPIENTS AWARDED A TOTAL OF \$5.3M

**17,976**

CREATORS RECEIVED PUBLIC LENDING RIGHT PAYMENTS TOTALING \$14.8M, OF WHICH \$1.2M WAS AWARDED TO NEWLY REGISTERED TITLES

**1,910**

COMMUNITIES ACROSS CANADA IN WHICH GRANTS, PRIZES, AND PAYMENTS WERE AWARDED

**688**

ARTISTS AND ARTS PROFESSIONALS SERVED AS PEER ASSESSORS

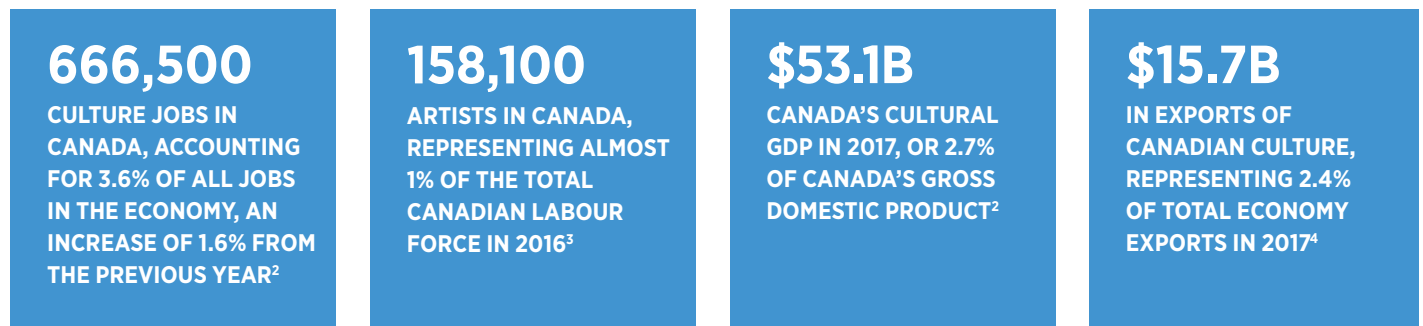
# THE ARTS ECOSYSTEM IN CANADA

Our support contributes to a rich arts ecosystem that is an important part of Canadians' lives and livelihoods.

## Arts engagement<sup>1</sup>



## Economic impact



<sup>1</sup> Environics Research Group (2017). *Arts and Heritage Access and Availability Survey 2016-17*. Undertaken by the Department of Canadian Heritage in partnership with the Canada Council for the Arts. Retrieved from: <https://canadacouncil.ca/research/research-library/2017/07/arts-and-heritage-access>.

<sup>2</sup> Statistics Canada (2019). *Provincial and Territorial Culture Indicators, 2017*. Retrieved from: <https://www150.statcan.gc.ca/n1/daily-quotidien/190425/dq190425b-eng.htm>.

<sup>3</sup> Hill Strategies (2019). *A Statistical Profile of Artists in Canada in 2016 (with Summary Information about Culture Workers)*. Undertaken by the Department of Canadian Heritage in partnership with the Canada Council for the Arts and the Ontario Arts Council. Retrieved from: <https://hillstrategies.com/resource/statistical-profile-of-artists-in-canada-in-2016/>.

<sup>4</sup> Statistics Canada (2019). *Trade of culture and sport products, 2017*. Retrieved from: <https://www150.statcan.gc.ca/n1/daily-quotidien/190613/dq190613b-eng.htm>.

# THE ARTS IN AN EVOLVING ENVIRONMENT



The 2019-20 fiscal year was marked by several events that underscored ongoing conversations about the issues confronting Canada and the world. For example, devastating bushfires in Australia called to mind conversations about the environment; the ratification process of the United States–Mexico–Canada Agreement alongside the United Kingdom’s work towards its exit from the European Union underscored the challenges of international cooperation; and protests in Hong Kong surfaced long-standing tensions between democracy and other forms of governance.

In the last weeks of 2019-20, **the COVID-19 pandemic** brought about unprecedented disruptions and societal transformations that have overshadowed other major events up to that point in the year. The pandemic will reshape the way art is created and experienced both in Canada and around the world for some time. From the outset of the pandemic, artists and arts professionals played an important role by **promoting well-being and resilience** and **imagining possibilities for the future** we want to collectively create as a society in the wake of this virus.

With the closure of many public venues, the arts have turned strongly to **digital technologies** to connect with the public—further accelerating the online uptake of the arts and expanding the possibilities for engagement. At the same time, this moment has shed new light on what is lost when people can no longer gather through the arts—inspiring artists and citizens alike to perform, at a distance, from balconies, rooftops, and gardens.

The COVID-19 crisis has also drawn attention to long-standing **social inequities** related to age, race, Indigeneity, gender, sexuality, and socioeconomic status. In addition, this crisis has underscored **environmental issues**—which, only months before the pandemic, inspired thousands of Canadians to participate in climate strike marches as part of a global movement that demanded action on climate change.

As 2019-20 drew to a close, countries around the world began to grapple with profound economic and social uncertainty.

# HIGHLIGHTS

## REACHING THE NEXT GENERATION OF ARTISTS



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In 2019, the Canada Council for the Arts created a profile for new and early career artists to make it easier for them to apply for their first grant. This was part of a two-year pilot initiative to reach the next wave of artists in Canada and renew support to the arts sector.

This year, the Council started to see the impact of this initiative: 3,214 individuals submitted eligible profiles. From those individuals, the Council received 829 applications and supported 302 successful projects in 75 regions across Canada and in five communities abroad, totaling \$4.9M. This amount represents part of the Council's commitment of 25% of new funds to new recipients.

## JOURNEY ACROSS THE NORTH STRENGTHENS THE COUNCIL'S RELATIONSHIPS



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In the summer of 2019, the Council's Director and CEO, Simon Brault, travelled to communities throughout Canada's three territories. On this trip, he met with artists, cultural workers, community members, community associations, elected officials, and territorial government representatives. These individuals came from diverse backgrounds, including First Nations, Inuit, and Métis communities. At these meetings, participants spoke to the CEO about the work they do and the challenges and opportunities they face. Through these meetings, the Council developed a stronger understanding of the historical, cultural, linguistic, and economic differences that shape the regions across the North—differences the Council needs to consider in its varied activities.

The Council has already bolstered support to artists and organizations in the North under its current strategic plan, with 66 grant recipients in 2019-20, representing an increase of 24.5%. This past year, we also started to collaborate with the Government of Yukon, along with the other territories, to plan and host the next Arctic Arts Summit, which will bring together leaders from all circumpolar countries.



# COLLABORATION AND SHARED LEADERSHIP FOR THE ARTS

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This past year, the Council collaborated with several partners to promote the presence of Canada's artists on the world stage. This included a partnership with Global Affairs Canada and the Embassy of Canada in Mexico to support Canada's participation as the guest country at the **2019 Festival Internacional Cervantino**—one of the largest performing arts festivals in the world. Similarly, the Council partnered with Global Affairs Canada, the Conseil des arts et des lettres du Québec, the Québec Government Office in Abidjan, and the Department of Canadian Heritage for Canada's participation as guest country at the **Marché des Arts du Spectacle d'Abidjan / Abidjan Performing Arts Market (MASA)** in Ivory Coast, Africa's largest performing arts market. The Council also launched its own initiatives and engaged in several partnerships to share Canadian creation with audiences in Germany in the lead-up to the **2020 Frankfurt Book Fair**, the largest global marketplace in the book publishing sector.

These collaborations fostered a strong presence for Canadian artists around the world—giving them the opportunity to lead global conversations about issues and ideas from a Canadian perspective. Moreover, these partnerships have strengthened the Council's connections with federal government departments and agencies, facilitating collaboration to address ongoing and emerging issues confronting Canadian society.

# UNDERSTANDING THE VALUE OF THE ARTS

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This year, the Council launched a **qualitative impact framework**, a research tool that helps the Council better understand the impact of its investments in the arts beyond the amount of money spent or the number of grants awarded. This comprehensive framework will help the Council better articulate the many ways in which Canadians' lives are enhanced by the arts. It will also help Canadians understand and appreciate the role of the arts in their lives and communities.

## COMMITMENT

# INCREASED ARTS SUPPORT

We will invest in artistic research and development and help the next generation of artists to build sustainable careers. We will increase support to artists, collectives, and organizations striving for artistic excellence and greater engagement in the arts by an increasingly diverse public.



### Increased support

In 2019-20, the Council's overall funding to the arts sector increased from \$261.8M in 2018-19 to \$289.9M—an increase of 10.7%. This means that more Canadian artists are better able to carry out their research, creation, and presentation activities and pursue professional development opportunities. Arts organizations are better supported to realize their mandates, and more Canadians have access to a diversity of cultural offerings.



### Expanded outreach

In 2019, the Council ramped up its outreach activities to deepen its presence across the country. Working with local partners, the Council held information sessions and application support workshops to help artists and arts organizations understand its programs and application process.

The Council's staff undertook 60 outreach activities this past year in communities in every

region of Canada. The Council also hosted multi-day COLLAB sessions in Ontario and British Columbia designed to help new and early career artists apply for their first grant from the Council or improve their next application. After these sessions, over 95% of attendees reported that they felt better prepared to apply for a grant from the Council in the future, furthering our goal to reach the next generation of artists with our support.



### Continued commitment to first-time recipients

The Council continues its support of new and first-time recipients. Notably, the Council awarded \$39.3M to 1,977 first-time recipients of prizes, project grants, or core grants in more than 396 communities. In addition, \$1.2M was awarded to newly registered titles of the Public Lending Right Program.



### Strengthening diverse voices

Compared to the previous year, the Council's funding support of Indigenous artists, groups, and arts organizations increased by 8.6%. Culturally diverse communities received an increase of 29.2%. Official Language Minority Communities received an increase of 23.7%. Deaf and Disability artists, groups, and arts organizations received an increase of 37.4% (see p. 26).

These figures are the result of an increase both in the number of recipients and the funding they are awarded, indicating ongoing and improved access to the Council's programs for these communities. This trend is an encouraging sign that the Council is becoming more equitable in its granting activities so that the arts are more reflective of the diverse communities that make up Canada.



### The Public Lending Right Program increases its annual payments

The Public Lending Right (PLR) Program administers yearly payments to creators whose works are in Canada's public libraries. In keeping with the published commitments in the Council's current strategic plan, the PLR program distributed an additional \$2.5M in 2019-20. This was the second and final installment of \$2.5M for a total overall increase of \$5M to the PLR base budget. The total PLR payment budget is now close to \$15M.

For the first time, in February 2020, PLR payments went to creators of audio books held in public libraries. Canada's PLR is one of just two PLR programs internationally to recognize and pay for printed books, electronic books, and audiobooks. Authors, translators, and narrators may now make claims for their contributions to eligible audiobooks in both physical formats and digital media.

In 2019-20, the PLR program delivered \$14.8M in payments to more than 17,976 authors, an increase of 20.3% over the previous year's payments of \$12.3M.



## Listening to communities for strengthened support

In 2019-20, the Council continued work on its commitment to offer increased support to equity-seeking groups and first-time recipients. In the last year, the Council has held numerous information sessions across Canada to explain the grant application process. The artist and the organizations in this section all received their first project or core grant from the Council in 2019-20.

Filmmaker Neil Diamond, from the Waskaganish Cree Nation, in Quebec, will be making a documentary on the creation of artistic clay objects, a two-phase project: the first phase consists in identifying types of clay and other materials found on Nuuskan Island; the second is a 10-day retreat on Nuuskan Island intended for Cree youth aged 11 to 15. Under the watchful eye of artists and teachers, the children will create objects to be exhibited in the area at a later date. Every stage of the project will be filmed and made into a documentary after the fact. Neil Diamond received his first short-term project grant from the Council in 2019-20.

With support from the Council, Toronto's Women from Space organization presented the Women from Space Festival (WFSF) for a second consecutive year in early March 2020. Created by Kayla Milmine and Bea Labikova, the WFSF

honours the talents of women musicians, fighting against the under-representation of women in improvised music and instrumental music. A festival like no other in North America, the WFSF highlights women visionaries who work in various exploratory musical traditions or in areas where such traditions intersect. For four days, the WFSF presented performances by culturally diverse women musicians. This is the WFSF's first project grant.

Located in Saskatoon, Saskatchewan, Sum Theatre is strongly engaged in its community. The vision shared by artistic director Joel Burnbaum and producer Heather Morrison is put into practice both artistically and organizationally. Their productions feature Indigenous and culturally diverse actors, as well as actors with disabilities. Hoping to make theatre more accessible, they are inviting newcomers to take part in and attend their plays, several of which have been presented in parks and at pools. Sum Theatre received its first multi-year core funding from the Canada Council in 2019-20.

The Council is committed to supporting more and more artists and organizations whose creations are essential to our development. Now more than ever, Canadians need the creativity of all communities.


# COMMITMENT DIGITAL

We will amplify the quality, scale, and sharing of art through digital technology, which is changing the way we relate to the arts and culture and how we connect with each other and the world. Artists and arts organizations need to be able to thrive in this radically changing environment.



## Advancing digital capacity through the Digital Strategy Fund

The Digital Strategy Fund helps Canadian artists, groups, and arts organizations to understand the digital world, engage with it, and respond to the cultural and social changes it produces. In addition to 341 funded projects in the past two years, this year's competition supported 141 new projects, totaling \$15M in 2019-20. This brings the total grant commitment to \$50.3M. With this investment, the Digital Strategy Fund is on track to develop the digital capacity of the arts sector through its commitment of \$88.5M by 2020-21.



## The Creation Accelerator: a new digital opportunity

In collaboration with CBC/Radio-Canada, the Council launched the Creation Accelerator, a new \$1M catalyst tool meant to amplify digital creation in Canada. This funding initiative provides opportunities for Canadian artists to develop an original concept and create a digital project for potential distribution on CBC/Radio-Canada's platforms.

In the first year of this initiative, the Council received applications from across the country in every artistic discipline, and it supported 24 projects from 11 communities.




## Enhancing digital collaboration

In 2019, the Council undertook several information sessions on the Digital Strategy Fund, followed by informal networking sessions that brought together about 800 people—including past recipients, interested applicants, and digital community members—to discuss shared perspectives, common goals, and possible collaborative projects. These sessions took place in 13 communities across the country: Calgary, Charlottetown, Edmonton, Fredericton, Halifax, Montréal, North Bay, Ottawa, Regina, St. John's, Toronto, Vancouver, and Winnipeg.

In October, the Canada Council hosted **a gathering of 38 Digital Strategy Fund recipients** in Toronto—the

first gathering of its kind. This initiative gave recipients the opportunity to discuss both positive and challenging experiences and explore future needs related to the digital transformation of the arts sector.

Additionally, the Digital Strategy Fund supported the **Arts, Culture and Digital Transformation Summit** held at the Banff Centre in November 2019. The Summit brought together 170 Canadian and international artists, cultural leaders, technologists, researchers, and policy makers for three days to discuss digital disruption in the sector. This was also an important opportunity for the Council to hear from the sector about the impact of the Fund, as well as future needs for developing the sector's digital capacity.



Digitally Lit's thirteen-year-old Youth Ambassador Molly Powers, of Paradise, Newfoundland and Labrador, shares her love of nature and reading by posting photos of herself in nature with her favourite book quotes underneath. #inthistgether

## At the forefront of the digital landscape

The Council's digital commitment is increasingly relevant in Canada's current artistic landscape. The Council is listening to the arts community's needs and expectations. Various information sessions across Canada and meetings with recipients attest to the Council's desire to position the cultural sector as a forerunner in a constantly evolving digital world. Created to further this commitment, the Digital Strategy Fund has backed more than a hundred projects this year with a view to stimulating digital transformation through partnership initiatives.

RADARTS is working to develop a digital portal for disseminating professional French-language performing arts in Western Canada, the territories, French-speaking Ontario, and the Atlantic provinces. The organization is carrying out this project in partnership with Réseau Ontario and the Réseau des grands espaces. Located in Tracadie-Sheila, New Brunswick, RADARTS has contributed to the dissemination of Francophone arts in Canada for 19 years.

In collaboration with a digital start-up, Calgary-based Indefinite Arts Centre will create ArtStory, a social media platform designed to present the artistic practices and works of artists

with developmental challenges and physical disabilities. ArtStory is focussing on art shareability and accessibility. It will provide artists with the opportunity to communicate their own stories and document their artistic journeys. What is more, artists can use ArtStory to present works that can then be shared with other artists, art galleries, and arts organizations.


Hailing from Halifax, Nova Scotia, Nimbus Publishing is pursuing a strategy to improve the experience of reading and encourage engagement among young readers aged 13 to 25, who have grown up in a digital world. In partnership with local editors, youth ambassadors will create blog posts, vlogs, animated GIFs, memes, stop motion animation videos, photo montages, and movie trailers inspired by books published in Canada's Atlantic provinces. Nimbus Publishing hopes to ensure long-term sustainability for the area's book publishers and spark youth interest in social, digital, and cultural heritage.

With its strategic investments, the Council is becoming a key player in digital funding—it is able to support artists, groups, and organizations that wish to innovate in a constantly evolving digital world, all the while maintaining special relationships with audiences.

## COMMITMENT

# INDIGENOUS

We commit to supporting the renewal of the relationship between Indigenous artists and Indigenous and non-Indigenous audiences for a shared future. In 2019-20, the Council's overall funding to Indigenous art, artists, and arts organizations increased from \$17.8M in 2018-19 to \$19.3M—an increase of 8.6%. With this, we surpassed our goal to triple our support of Indigenous creation to \$18.9M by 2020-21.



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### **A Framework for land acknowledgement**

This past year, the Council developed a framework for Indigenous land acknowledgement with an advisory group of Algonquin Elders and Knowledge Keepers, recognizing the Algonquins as the customary keepers and defenders of the Ottawa River Watershed and its tributaries—where the Council's offices are located. The framework will help guide the Council in providing land acknowledgements at its many public events and in publications like this annual report. The Framework is part of the Council's commitment to reaffirm and revitalize its relationship with First Nations, Inuit, and Métis peoples in Canada.



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### **A pivotal gathering for Indigenous organizations**

In November 2019, the Council's Creating, Knowing, and Sharing: The Arts and Cultures of First Nations, Inuit and Métis Peoples program convened a gathering for all current Indigenous organizations receiving core funding. The gathering, which took place in Ottawa, presented a unique opportunity for these organizations to better understand their shared challenges and aspirations so that they might, in turn, work together more closely for a strengthened, collective impact on Indigenous arts practice and the wider arts ecology—both in Canada and around the world. This gathering was also an opportunity for the Council to hear about opportunities to support these organizations as they seek to train and mentor Indigenous cultural leaders, develop Indigenous-centred forms of governance, and partner with non-Indigenous arts organizations—to name just a few areas of discussion from the meeting.



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### **Indigenous artists on the world stage**

The Canada Council hosted a booth dedicated to an Indigenous delegation at the 2019 edition of WOMEX (World Music Expo), one of the world's most important international, professional markets of world music. At the 2019 edition, which took place in October in Tampere, Finland, members of the Indigenous delegation performed in showcases, led a panel discussion, and forged important connections for ongoing collaboration and exchanges with the wider global network of Indigenous artists. The Indigenous delegation consisted of ShoShona Kish, Raven Kanatakta, Leela Gilday, Matt Maw, and Amanda Rheume.



Nakkita Trimble, from the Nisga'a Nation, in British Columbia, hand-poking a tattoo

## Surpassing an ambitious goal for funding Indigenous arts

This past year, the Canada Council for the Arts surpassed its goal to triple its support of Indigenous creation by 2021. This was achieved by supporting a breadth of First Nations, Inuit and Métis artists and arts organizations across Canada from coast to coast to coast. The Council also supported the presence of several Indigenous delegations at arts and cultural gatherings around the world this past year.

Innu musician Shauit, of Maliotenam, Quebec, undertook an intercultural exchange with Moroccan music group Wachmn'hit. These musicians are united in their performance of reggae—a genre that originated outside both Canada and Morocco. Through their exchange—which was split between Morocco and Quebec—they held workshops and Round Table discussions to share their respective perspectives as Indigenous peoples and collaborate on music that was performed in concert with both their communities. Underpinning this exchange was a desire to highlight the importance of Indigenous languages in an intercultural context—notably during the United Nation's International Year of Indigenous Languages.

Dwight Farahat has family roots tracing back to the Siksika Nation, Palestine, and Wales. This past year, he embarked on plans to run a weekly rap cypher—a circular gathering for free-style rapping—with incarcerated and non-incarcerated youth in the Calgary area. These cyphers would be an important opportunity for the participating youth to gain confidence in their rap skills, network with other artists, and

learn about the importance of each person to the circle. The gatherings would be held in the spirit of helping participants feel less alone in their adversity by offering a safe, welcoming culture where people could share stories and feelings they might not talk about in any other setting. Farahat understands the importance of these sessions, noting that, "This sharing helps people feel not so alone in the world." Through his work, Farahat will help participants put together a rap album, prepare a set for performance, and create a music video.

Nakkita Trimble is working to reawaken the ceremonial tattooing potlatches of her people, the Nisga'a Nation in British Columbia. Over the course of three years, Trimble hopes to hand-poke 80 10-hour House Crest tattoos—designs that are passed down matrilineally with the approval of Matriarchs, Chiefs, and Elders. In undertaking this work, Trimble seeks to bring youth and elders together to preserve cultural knowledge and strengthen community, clan, and nation connections. Trimble is working with filmmaker Priyanka Desai, who hopes to document this project in a film that can be shared with generations of Nisga'a, as well as Canadians more broadly.

These grant recipients exemplify some of the many Indigenous artists and arts organizations funded by the Canada Council as part of its commitment to support a renewed relationship between Indigenous artists and both Indigenous and non-Indigenous audiences for a shared future.

## COMMITMENT

# INTERNATIONAL

We will raise the international profile of Canadian artists and arts organizations, giving them the opportunity to share the best of the arts created in Canada with global audiences. With the help of partners here and abroad, we will help grow Canada's international presence and complement the efforts of other public funders to support Canadian artists abroad. We will also foster reciprocity by welcoming international artists to Canada, and by supporting bilateral and multilateral co-productions and artistic residencies. In 2019-20, the Council's overall funding for international activities increased from \$26.6M in 2018-19 to \$33.3M—an increase of 25.5%. With this, we surpassed our goal to double our support for international activities to \$20M by 2020-21.



### **Deepening international relationships, creating opportunities for Canada's artists**

In June 2019, Simon Brault, the Canada Council's Director and CEO, accompanied by executives from Canadian Heritage and other organizations in the department's portfolio, travelled to Buenos Aires to meet artists, cultural leaders, and political decision-makers at the Americas Cultural Summit, the meeting of the ministers of culture at the Southern Common Market (Mercosur), and the Argentine Creative Industries Market (MICA). These meetings were

an opportunity for the Council to become a partner in international collaborations where Canadian artists could shine on the world stage.

Through the Council's international outreach, Canada was selected as the Guest Country at the Festival Internacional Cervantino, which was held in Guanajuato, Mexico, in October 2019. With the Cervantino program, the Council highlighted the diversity of Canadian creation to international audiences, presenting 17 shows by artists from across Canada that included a strong Indigenous presence, linguistic and cultural diversity, and international artistic collaboration.

In the months leading up to the 2020 Frankfurt Book Fair, the

Council supported 174 projects involving artists, publishers, and companies from all artistic disciplines as they presented their work across Germany. This support was provided through formal agreements with Global Affairs Canada and Canadian Heritage. Canada was slated to be the Guest of Honour at the fair prior to the COVID-19 pandemic.

This past year, the Canada Council for the Arts has also been an active participant in the International Federation of Arts Councils and Culture Agencies (IFACCA), a global network of arts councils and ministries of culture with member institutions in over 70 countries. In 2019-20, the Council's Director and CEO

completed his first year as the Chair of the IFACCA Board, championing the important role of transnational discussions and cooperation in the creation of opportunities for artists to inspire mutual understanding and solidarity among citizens around the world.





Toronto-based circus artist Ess Hödlmoser perfects the “zubnik” technique with trainer Mr. Usukhuu, in Mongolia.

## Conversations with artists from around the world

The Canada Council for the Arts supports Canadian artists abroad and international cultural exchanges. Its international initiatives are focussed on the outreach of artistic practices and voices and on a strong presence of Indigenous artists in the world. Artists from Canada are now recognized more than ever around the world. Conversations between nations and cultures are essential to building relationships and carving out new spaces for discussion.

Toronto-based circus artist Ess Hödlmoser received a grant to perfect their Mongolian contortion techniques with high-level trainers. The training took place in Ulaanbaatar, Mongolia, and covered foot archery and “zubnik,” which involves biting into a piece of leather and letting one’s body hang mid-air. Ess Hödlmoser documented their training and published it on their website in order to make what they had learned available to others. The project was made possible with a grant under the Professional Development for Artists component of the Explore and Create program.

In October 2019, Canada was guest of honour at the Festival Internacional Cervantino, in Guanajuato, Mexico. Crowds were wowed by A Tribe Called Red, the Royal Winnipeg Ballet, Elisapie Isaac, The Fretless, l’Orchestre symphonique de Montréal, Quatuor Bozzini, Shawn Jobin, Théâtre Motus, the

Dancers of Damelahamid, ILL-ABILITIES Crew, Peggy Baker Dance Projects, Kaia Kater, Snotty Nose Rez Kids, Nomadic Massive, Music Picnic/Macau Experimental Theatre, Buddies in Bad Times Theatre and 2b theatre company. The Canada House provided cultural and educational activities that included interactive experiences, artwork exhibitions, and film projections to more than 1,000 visitors every day. This initiative was led in partnership with Global Affairs Canada and the Embassy of Canada in Mexico.

Diasporas Music, an organization located in Caraquet, New Brunswick, is dedicated to the representation and promotion of culturally diverse artists in Canada. In February and March 2019, it took part in three conferences in Morocco, Italy, and French Guiana with a view to identifying new circuits and partners. Additionally, at the MASA performing arts market held in Abidjan, Ivory Coast, in March 2020, Diasporas Music represented Wesli and ILAM, two Montréal-based artists who were being showcased. Diasporas Music received a grant under the Arts Abroad program.

The Council’s support enables groups, organizations, and artists to enhance their presence on the world’s stages. International relationships and conversations build sustainable networks.

## COMMITMENT

# AN ONGOING FOCUS ON EQUITY AND INCLUSION

In addition to the four commitments in the Strategic Plan, the Canada Council will continue to deepen its long-standing commitment to equity and inclusion, including for next-generation artists and audiences.

### A strategy for expanding the arts

In 2019, the Council launched *Expanding the Arts: Deaf and Disability Expression and Engagement Strategy* (ETA II), building on the previous *Expanding the Arts* strategy from 2012. The ETA II strategy articulates the Council's approach to supporting the Deaf and Disability arts sector in the context of the 2016-21 Strategic Plan and its funding programs. It focuses on deepening the Council's impact on the Deaf and Disability arts sector by supporting the expression and expanding the engagement of people who are Deaf and/or have disabilities. This resource

is now available on the Council's Equity web page.

### Removing barriers

For many years, the Council has provided assistance to people who need support in applying to its programs. This year, the Council updated its application assistance policy to also include senior artists and Indigenous artists who face significant language, geographic, and cultural barriers in accessing the Council's programs.

Some Indigenous artists—Inuktitut-speakers and Indigenous Elders in particular—experience significant language, cultural, and technological barriers

when applying for Canada Council grants online. With changes to its application assistance policy, the Council now provides support services for someone to:

- assist an artist to write and apply for a grant (via the portal or offline);
- transcribe an oral grant application;
- translate a grant application from an Indigenous language into English or French.

Some older artists encounter significant barriers when applying for grants due to mobility, sight, hearing and memory loss, and computer illiteracy. Application assistance enables them to hire a service provider to help create a portal account

and manage all the steps in applying for and administering their grant applications.


### Equity and inclusion in the granting programs and strategic funds

In 2019-20, the Council provided the following support to its designated priority groups<sup>5</sup>:

	Distinct recipients	Amount awarded (In thousands)
Indigenous	450	\$19,239
Culturally Diverse	1,073	\$33,265
Deaf and Disability	331	\$9,673
Official Language Minority Community - Anglophone <sup>6</sup>	401	\$13,979
Official Language Minority Community - Francophone <sup>6</sup>	236	\$8,946

<sup>5</sup> This table is based solely on data from recipients who provided information through the Council's self-identification forms and/or its online granting portal.

<sup>6</sup> Support for artists, groups, and arts organizations working in official language minority communities is calculated using data collected in a different way than data collected for the other three designated priority groups. Any comparison between these groups is, therefore, not necessarily recommended.



Tanya Evanson performing at Aké Arts & Book Festival, Lagos, Nigeria, 2019.

## Reflecting the creativity of all communities

The Canada Council is dedicated to deepening its long-standing commitment to equity, inclusion, and official languages, and to creating opportunities for youth. In keeping with this, the Council's funding programs are designed to be more flexible and inclusive; in turn, grant recipients reflect the many diverse communities across Canada—including artists who are culturally diverse, who are Deaf, have a disability, and/or who belong to an official language minority community.

Edmonton's Brandon Wint is writing twelve original poems to be combined with choral compositions by Jane Berry and Rebecca Parsons in a work titled *Blood, Breath and Other Miracles*. Wint's work is often connected to an oral poetic tradition, and this project presents a unique opportunity for him to write for a multiplicity of voices in the tradition of choral music. Wint notes that this project is a "rare and welcomed opportunity to foreground my worldview as a Black, disabled, Caribbean-Canadian writer within a musical tradition of classical, choral music, which has historically been understood in Canada and elsewhere as a European tradition."

Tanya Evanson of Montréal is an African-Canadian spoken word performance artist whose work often focuses on the

past—and, in particular, Black, women's, and family histories—as a way of better understanding the present. With her current project, *Sun Solo / Ending Earth*, she is shifting her focus to the future. With this work, she is creating a full-length multimedia performance about aging and the Anthropocene through an Afrofuturist lens.

Yilin Wang of Vancouver is working on a book-length collection of short stories that retell Chinese folktales about marginalized Chinese women, genderqueer heroes, outlaws, and underdogs dwelling in the margins. Wang will draw on their experiences as a gender non-conforming, asexual, Chinese Canadian person to resituate these traditional stories in the contemporary context of Chinese migration. In doing so, Wang seeks to challenge traditional Chinese gender norms, the male gaze, and Orientalist views of women.

By funding artists and arts organizations that reflect Canada's population, the Council seeks to build an arts milieu that reflects and, in turn, engages the full diversity of people living across the country.

# THE ART BANK MAKES CONNECTIONS ACROSS CANADA AND AROUND THE WORLD

The Canada Council Art Bank is the largest collection of contemporary Canadian art in the world. The primary role of the Art Bank is to rent its works of art to organizations with a view to continually expanding the exposure of Canadian art and enabling as many Canadians as possible to enjoy these works. The Art Bank further extends its reach through loans to museums and galleries, curated exhibitions, and outreach activities.

## ÂJAGEMÔ, THE CANADA COUNCIL'S EXHIBITION SPACE

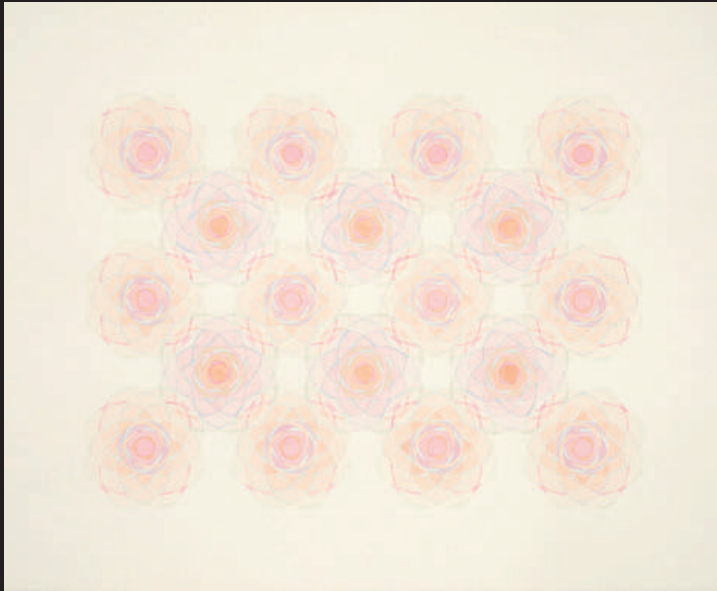
The Art Bank continued to collaborate with partners to share works from its collection in Âjagemô, a public exhibition space at the Canada Council for the Arts' downtown-Ottawa offices. This year, the Art Bank installed *Awakening* in Âjagemô, an exhibition that draws on works from the collection to place a focus on climate change and the United Nations Sustainable Development Goals. The exhibition was first presented at the Suites of the Lieutenant Governor of Ontario in Toronto before it travelled to three international venues in the United Nations network in New York, Geneva, and Bonn. This international tour of the exhibition furthered the Council's work to ensure

artists are a prominent part of international conversations about the challenges faced by the global community and the development of shared strategies for a better future.

The Art Bank also partnered with the Students on Ice (SOI) Foundation to mount *Open Channels* in Âjagemô, an exhibition that included the works of visual artists inspired by their experiences on the Canada C3 sailing expedition, organized by SOI to mark Canada's sesquicentennial. The exhibition explored Indigenous and non-Indigenous relations as well as climate change.



Charley Young, *Force Fold III*, 2019, graphite and white watercolour pencil on drafting film.  
Collection of the Canada Council Art Bank

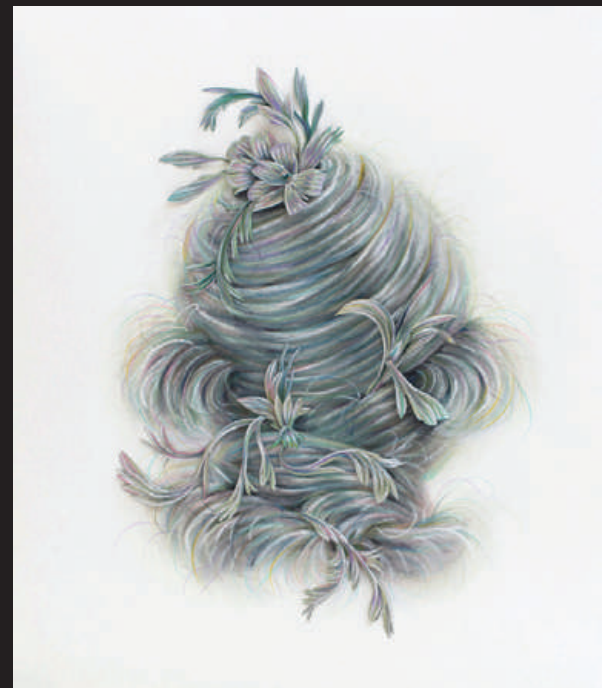


## ON THE WORLD STAGE

The Embassy of Canada Art Gallery in Washington, D.C. opened *A New Light: Canadian Women Artists*, which featured several works of art from the Canada Council Art Bank collection. Works from the collection included Dianne de Corby's *Untitled* (1985), Vicky Marshall's *A Murder of Crows* (1987), Meryl McMaster's *Jin* (2010), Alice Park-Spurr's *Rising* (2000), Milly Ristvedt's *Strawberry Dreams, Strawberry Nightmares* (1975), and Mary Yuusipik Singaqt'i's *Mother and Child* (1994).

## EXPANDING THE COLLECTION

This year, the Art Bank acquired four new works by women artists: *Tetrahedron (Tentacles and Globes)* by Shuvinai Ashoona (Nunavut), *Kaleidoscopic Spirograph Still Variation #8* by Robbin Deyo (Quebec), *Bandages* by Winnie Truong (Ontario), and *Force Fold III* by Charley Young (Nova Scotia). These are the first works by Deyo, Truong, and Young in the Art Bank collection.



Robbin Deyo, *Kaleidoscopic Spirograph Still Variation #8*, 2018, watercolour on paper. Collection of the Canada Council Art Bank

Shuvinai Ashoona, *Tetrahedron (Tentacles and Globes)*, 2017, coloured pencil and ink. Collection of the Canada Council Art Bank

Winnie Truong, *Bandages*, 2018, coloured pencil, chalk pastel and cut paper collage. Collection of the Canada Council Art Bank

# THE CANADIAN COMMISSION FOR UNESCO

## COMMITMENTS

As the champion of UNESCO values in Canada, the Canadian Commission for UNESCO (CCUNESCO) mobilizes its members, extensive networks, and many partners to spark discussion and innovative thinking about the major societal issues embedded in UNESCO priorities. The CCUNESCO also mobilizes its partners to further priorities and advance critical conversations on issues such as open science, gender equality, reconciliation, Indigenous cultures and languages, and youth engagement. The renewed importance and relevance of the joint presence of the Council and the CCUNESCO in the field, combined with the impact of their often-convergent activities and initiatives, make a real contribution to a future of peace, equity, and sustainable development both in Canada and abroad. The CCUNESCO operates under the Canada Council's authority.

### Striving for sustainable development goals with strong networks

The CCUNESCO's impact is mostly felt by its networks, which is why it supports their development and actions. And the support is bearing fruit—its networks continue to grow and are increasingly well equipped to make an impact in their circles. Three organizations within the networks extended their reach last year.

- The Coalition of Inclusive Municipalities welcomed 13 new members from across Canada. As a result, 80 municipalities have joined the Coalition, including Chestermere and Fort Saskatchewan in Alberta, as well as Niagara and Peterborough in Ontario. The CCUNESCO supported three priority theme documents: [LGBTQ2+ inclusiveness](#),

[Reconciliation with Indigenous Peoples](#), and [Welcoming Immigrants and Refugees to Canada](#). The Coalition aims to build more open societies that are resolutely committed to eradicating racism and discrimination.

- For the first time in its existence, the UNESCO schools network expanded into the Yukon with new ties to F. H. Collins Secondary School in Whitehorse and Ghùch Tlà Community School in Carcross. The schools network [plays a key role in advancing priorities like sustainable development, education, and reconciliation](#).
- The [UNESCO Chairs Network](#) welcomed five new chairs in 2019-20, including the first Francophone chair in Alberta, which brings Canada's total to 28 UNESCO chairs. The goal of the Chairs Network is to optimize interuniversity collaboration.

### Sharing knowledge to meet common challenges

Governments and UNESCO are facing societal issues that require large-scale action, namely climate change, pandemics, cultural diversity, biodiversity, and the growth of social inequalities. The CCUNESCO plays an essential role in mobilizing the wealth of knowledge in its networks. This sheds light on these various challenges and identifies solutions and strategies to overcome them. In 2019-20, the CCUNESCO published some 40 documents on topics of interest for decision-makers, organizations, the university community, youth, and the general public—including discussion papers, blog posts, toolkits, and other resources.

- The CCUNESCO collaborated with the Canadian Institute for Identities and Migration

on a [special edition of Canadian Diversity magazine](#), which features a dozen articles by Black community leaders on themes around the International Decade for People of African Descent: Recognition, Justice, and Development.

- Several CCUNESCO partners, including its Youth Advisory Group, took part in writing a [document that offers a model for advancing youth engagement and intergenerational dialogue](#).
- As part of the International Year of Indigenous Languages, the CCUNESCO published [Spoken from the Heart: Indigenous Radio in Canada](#), a document that paints a picture of Indigenous radio broadcasting in Canada and highlights its role in revitalizing Indigenous languages and cultures. It is the only study of its kind in the world in the context of the International Year of Indigenous Languages.

Members of the 2019-21 CCUNESCO's Youth Advisory Group.



## Mobilizing online

With the help of numerous partners, the CCUNESCO is using the potential of digital media to reach the largest number of Canadians possible, especially youth.

- The [Algorithm Literacy Project](#), a Kids Code Jeunesse and CCUNESCO initiative, gives children and youth information about algorithms and their impact on our digital experiences and lives, as well as content discoverability.

- The CCUNESCO's website now has a section dedicated to the [Canada Memory of the World Register](#), which showcases heritage document collections that attest to significant moments in our history and to the diversity of our heritage, including the National Centre for Truth and Reconciliation.



Cover of the special edition of *Canadian Diversity*, "Facing the Change: Canada and the International Decade of People of African Descent," displaying *La femme et le pagne*, an illustration by Yasmeeen Souffrant.

## Strategies to fight climate change

On October 25, 2019, the CCUNESCO held a [round table discussion on culture and the United Nations' Sustainable Development Goals \(SDG\)](#) in collaboration with the Canada Council for the Arts. At the gathering, government and civil society representatives discussed strategies to mobilize the cultural sector in order to further sustainable principles, fight climate change, and more.

# FINANCIAL OVERVIEW



# HIGHLIGHTS

2019-20 marked the fourth year of the progressive doubling of the Council's budget, originally announced in Federal Budget 2016. Cumulatively, the Council injected 91.3% of the \$370 million received so far in new funding into the arts sector.

In mid-March 2020, the COVID-19 pandemic caused travel restrictions and physical distancing measures to be implemented nation-wide. The Council was able to maintain its level of program delivery and adjust its operations due to investments over the last few years in modernizing its technology infrastructure and systems and by adjusting its operations.

On June 1, 2020, the Council received \$55 million from the Department of Canadian Heritage to establish a COVID-19 Emergency Support Fund in order to distribute emergency assistance to its core and project funded organizations.

The Council also received a \$800 thousand bequest from Ms. Sheila K. Piercey, in February 2020, to support the Musical Instrument Bank and projects in the field of Opera.

Summary Statement of Operations for the Years Ended March 31

(in thousands of dollars)	Budget 2020	Actual 2020	Actual 2019
Total revenue and Parliamentary appropriations	\$ 341,460	\$ 358,761	\$ 308,949
Total expenses	341,451	339,683	308,248
<b>Surplus from operations</b>	<b>\$ 9</b>	<b>\$ 19,078</b>	<b>\$ 701</b>

For the year ended March 31, 2020, the Council is reporting a surplus from operations of \$19.1 million. The surplus is primarily attributable to a \$11.5 million positive variance in net realized investment income compared to budgeted income, savings in transfer program delivery expenses of \$2.4 million, and a carry-forward of \$5.5 million in grants committed to the Digital Strategy Fund to 2020-21.

(in thousands of dollars)	Budget 2020	Actual 2020	Actual 2019
Grants and contributions	\$ 267,918	\$ 272,389	\$ 246,558
Public Lending Right program	14,688	14,784	12,288
Prizes and awards	2,901	2,755	2,997
	<b>\$ 285,507</b>	<b>\$ 289,928</b>	<b>\$ 261,843</b>

Grants, author payments and prizes expenses amount to \$289.9 million for the year ending March 31, 2020 and are above the approved budget and the prior year related expenses. A total of \$32.5 million, representing 92.9% of the additional \$35 million in government funding, was added to the grants budget. This funding was allocated to the Council's programs based on key commitments made in the 2016-21 Strategic Plan. The Council also received contributions from Departments of Global Affairs Canada and Canadian Heritage for projects in 2019-20 such as the 2020 Frankfurt Book Fair and the Festival Internacional Cervantino. These additional fundings to grants were partially offset by a carry-forward of \$5.5 million for the Digital Strategy Fund for new initiatives in 2020-21.

As part of its strategic commitment to increase direct support to artists, the Council increased payments to authors via the Public Lending Right program by \$2.5 million again this year for a total amount of \$14.8 million. The Council also distributed \$2.8 million in prizes and awards that recognize excellence and innovation in Canada.

The costs of transfer program delivery, representing 6.8% of total expenses, totaled \$23.2 million for the year ending March 31, 2020. The \$2.4 million below the budgeted amount was mostly due to savings of \$2.0 million in salaries and benefits. The overall increase of \$1.9 million in transfer program delivery costs compared to last year was mainly in peer assessment costs due to higher volume of applications.

General administrative expenses, representing 6.1% of total expenses, totaled \$20.7 million for the year ended March 31, 2020. The \$1.2 million increase compared to previous year is mainly due to salaries and benefits and professional fees incurred to deliver the Council's Digital Shift Roadmap to modernize its systems and infrastructure.

Summary Financial Position as at March 31

(in thousands of dollars)	Actual 2020	Actual 2019
Total financial assets	\$ 416,171	\$ 445,447
Total liabilities	124,395	139,799
Net financial assets	291,776	305,648
Non-financial assets	31,660	29,473
Accumulated surplus	<b>\$ 323,436</b>	<b>\$ 335,121</b>

In 2019-20, the Endowment and Special Funds and the Killam Fund had annual returns of -1.7% (6.6% in 2018-19) and -1.7% (6.7% in 2018-19) respectively. The portfolio was performing well until COVID-19 when the returns plummeted and posted returns of -9.2% for the Endowment and Special Funds and -9.1% for the Killam Fund just in the last quarter (Q4 2019-20). In comparison to the prior year, the investment portfolio has decreased by \$19.9 million with a fair value of \$391.2 million as at March 31, 2020.

Despite the downturn at the end of the year, the portfolio provided an excess of \$11.5 million of net realized investment income over the \$12.2 million budgeted amount. In accordance with the Council's Statement of Investment Policies and Goals, the approved budgeted amount for net realized investment income is calculated using a prescribed spending rate of 3.5% times the previous three-year average market value of the portfolio. The Council's investment policy states that at a minimum any investment income above the allocated approved budget must be reinvested in the portfolio in order to preserve capital. Therefore, this year \$13.0 million was transferred this year from accumulated surplus from operations to the reserve for excess investment income.

In 2019-20, the Council updated its Corporate Risk Profile, presented to the Board in January 2020, taking into consideration changes in the Council's risk environment. This included re-assessment of the risks and updates to potential risks to the Council as well as mitigation strategies. The corporate risk profile is used as a key input in strategic and operational planning and prioritizing management action plans.

# FINANCIAL POSITION

## Financial Assets

As at March 31, 2020, total financial assets were \$416.2 million, a decrease of \$29.3 million from the previous year. Financial assets include the portfolio investments as well as cash and accounts receivable.

The decrease of \$9.6 million in cash is explained by a \$10.0 million decrease in grants, author payments and prizes payable.

Financial markets around the world have reacted to the current and potential economic impacts of COVID-19, as well as oil market price. Global markets have seen decreases in values and are experiencing significant volatility. Consequently, the fair value of the Council's investment portfolio has decreased. As at March 31, 2020, the fair value of the Council's investments was \$391.2 million, a decrease of \$19.9 million from the prior year.

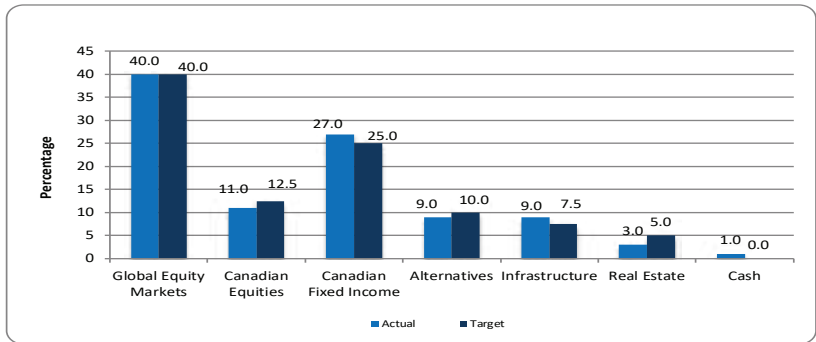
The Council invests in units of pooled funds and a segregated fund that are managed by professional investment managers. The Council's investments are guided by a *Statement of Investment Policies and Goals* and the *Board Statement of Investment Beliefs*, which are both approved by the Board. The objectives of the portfolio are to generate a 4.5% real rate of return over a 10-year period 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 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 or to its expenditure policy, currently set at 3.5% times the rolling average of the market value of the fund over the last three years. 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.

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

## Asset Mix as of March 31, 2020

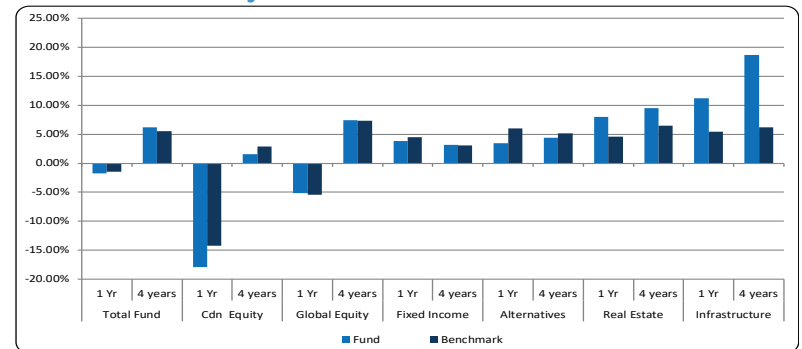


The Investment Committee and senior management monitor closely the level of risk within the portfolio. The 10-year standard deviation was at 6.2% as at March 31, 2020, compared to 5.2% for the benchmark.

The targets set for each asset class are based on an efficient frontier study done in 2017 in order to achieve the long-term objective of 4.5% real rate of return over the 10-year period. In light of COVID-19, the significant volatility in the market and the stagnation of the interests rates, the Investment Committee started discussion at its May 2020 meeting to review the study and assumptions made in order to evaluate if the asset mix should be adjusted.

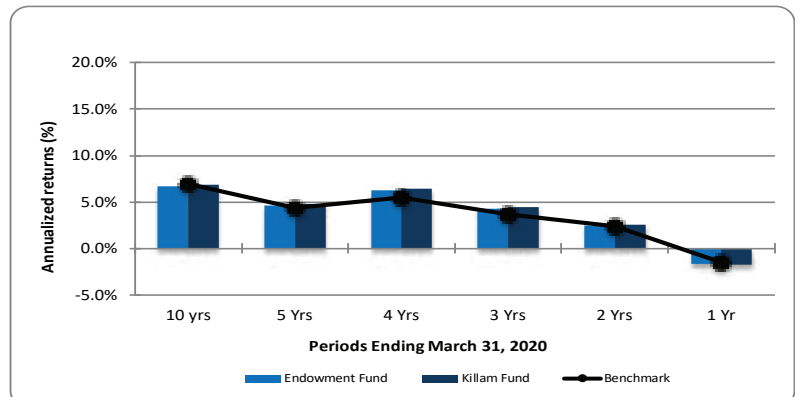
The following chart shows the returns for all of the various asset classes for the one and four year periods ending March 31, 2020. The one-year returns reflect the impact of COVID-19 with returns plummeting in Q1 2020-21. As at the date of the financial statements, due to ongoing economic and market uncertainties, the Council is not able to readily estimate the fair value impact on its portfolio investments subsequent to March 31, 2020.

## Annual Returns by Asset Classes



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 that the diversification in the portfolio helped sustain the performance results above the 10-year long-term objective of 4.5%.

## Annualized Portfolio Returns



## Liabilities

As at March 31, 2020, total liabilities were \$124.4 million, a decrease of \$15.4 million from the previous year as shown in the table below:

(in thousands of dollars)	2020	2019
<b>Liabilities</b>		
Grants, author payments and prizes payable	\$ 58,070	\$ 68,081
Accounts payable and accrued liabilities	5,128	5,072
Deferred revenues	6,604	7,043
Employee future benefits	4,340	3,867
Deferred revenues - Externally restricted contributions	50,253	55,736
<b>Total liabilities</b>	<b>\$ 124,395</b>	<b>\$ 139,799</b>

The main decrease is due to the \$10.0 million reduction in Grants, author payments and prizes payable compared to 2018-19, which is directly related to a more regular payment schedule for grant applications within the granting programs.

The Deferred revenues from externally restricted contributions also decreased by \$5.5 million. This reduction is due to the decrease in market value of the portfolio for which a portion is externally restricted. 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.

The other liabilities include:

- accounts payable and accrued liabilities which represent outstanding payments to various suppliers/managers for services rendered and some payroll liabilities incurred as of March 31, 2020;
- deferred revenues which include a bequest of \$800 thousand received from Ms. Sheila K. Piercey and the leasehold inducement at 150 Elgin, Ottawa, which is being amortized over the lease period of 20 years; and
- employee future benefits representing the severance entitlements of the Council's employees and post-retirement benefits covering employees and retirees.

## Non-Financial Assets

Tangible capital assets include computer software, office and computer equipment, leasehold improvements and work in progress related to the development of a new information management system. The net increase of \$1.7 million in comparison to the prior year is mainly attributable to an investment of \$3.3 million in the Council's Digital Shift Roadmap to modernize both its technology infrastructure and its systems offset by \$1.7 million in amortization.

The Council's Art Bank has the largest collection of contemporary Canadian art in the world, with 17,170 works, and rents the collection to interested public and private sector organizations. The Art Bank collection is presented under Art Bank assets, which are carried at a cost of \$19.5 million on the Statement of Financial Position as at March 31, 2020. The total appraised value of the collection is estimated at \$71.7 million as at March 31, 2020.

The Council's Musical Instrument Bank owns or manages 24 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 thousand as a reasonable estimate of the future benefits associated with such assets cannot be made. At March 31, 2020, the appraised and insured value of the musical instruments was US\$46.7 million.

## Accumulated Surplus

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

(in thousands of dollars)	2020	2019
<b>Accumulated surplus</b>		
Endowment - Original contribution	\$ 50,000	\$ 50,000
Endowment principal - Externally restricted contributions	37,569	37,569
Reserve for excess investment income	203,445	190,445
Surplus	32,454	26,376
<b>Total accumulated surplus from operations</b>	<b>\$ 323,468</b>	<b>\$ 304,390</b>
Accumulated rereasurement gains (losses)	(32)	30,731
<b>Accumulated surplus</b>	<b>\$ 323,436</b>	<b>\$ 335,121</b>

The \$50 million Endowment - Original contribution represents the original government transfer in 1957 of endowments which enabled the establishment of the Council. 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 being shown separately, are in effect being treated as if they had been revenues.

The total reserve of \$203.4 million at March 31, 2020 represents the sum of excess investment income relating to the original endowment since the establishment of the Council.

# OPERATIONS

Summary Statement of Operations for the Years Ended March 31

(in thousands of dollars)	Budget 2020	Actual 2020	Actual 2019
Parliamentary appropriations	\$ 327,644	\$ 327,771	\$ 292,991
Net realized investment income	12,161	23,693	13,522
Other revenues	1,655	7,297	2,436
<b>Total Revenues</b>	<b>341,460</b>	<b>358,761</b>	<b>308,949</b>
Transfer programs	318,110	316,511	286,144
Net Art Bank results	247	1	32
Canadian Commission for UNESCO	2,648	2,512	2,581
General administration	20,446	20,659	19,491
<b>Total expenses</b>	<b>341,451</b>	<b>339,683</b>	<b>308,248</b>
<b>Surplus from operations</b>	<b>\$ 9</b>	<b>\$ 19,078</b>	<b>\$ 701</b>

The Council's net financial results for the year is a surplus of \$19.1 million, compared to a balanced budget forecasting a surplus of \$9 thousand. The surplus is primarily attributable to a \$11.5 million positive variance in net realized investment income compared to budgeted income, savings in transfer program delivery expenses of \$2.4 million, and a carry-forward of \$5.5 million in grants committed to the Digital Strategy Fund for 2020-21.

The increase of \$4.9 million in other revenues are external contributions received for specific initiatives, such as the Festival Internacional Cervantino and the 2020 Frankfurt Book Fair, for which most of the expenses were recorded as grants.

The total expenses of \$339.7 million in 2019-20 are \$1.8 million less than budgeted. This variance is directly attributable to savings in the transfer program costs in 2019-20.

Through an effective budget monitoring process, the Council was able to invest a total of \$4.5 million into grant expenses from intra-year savings and delayed projects comparable to a similar investment of \$4.2 million last year.

## 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 preferred rate account in a financial institution from which the Council draws its daily cash requirements. For the year ended March 31, 2020, the appropriations received by the Council were \$327.8 million, an increase of \$34.8 million over 2018-19 through the Main Estimates in accordance with the Federal Budget 2016 announcement.

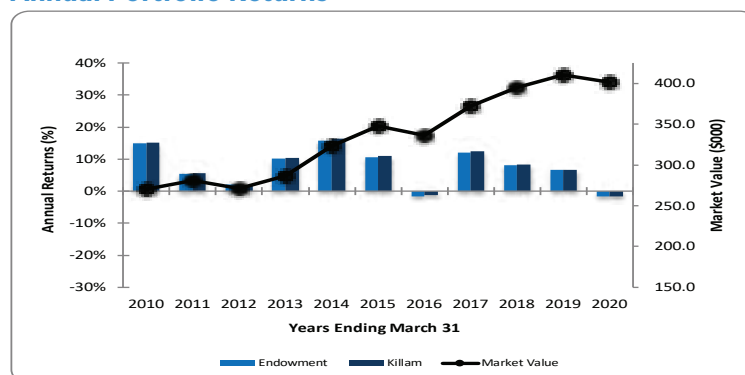
## Investment Income

The financial markets in which the Council invests are diversified and, in 2019-20, both the Endowment and Special Funds and the Killam Fund generated negative annual returns of 1.7% compared to positive annual returns of 6.6% for the Endowment and Special Funds and of 6.7% for the Killam Fund in 2018-19. Due to the significant impacts of COVID-19, as well as oil market prices, on financial markets, the Council's portfolio posted negative returns of 9.2% for the Endowment and Special Funds and 9.1% for the Killam Fund during the last quarter of 2019-20. Prior to Q4 2019-20 the portfolio returns had been positive for both the Endowment and Special Funds and the Killam Fund.

The Council's investment policy prescribes for 2019-20 that cash can be withdrawn from the portfolio at a rate of up to 3.5% of the previous three-year average market value for both the Endowment and Special Funds and the Killam Fund. This approach recognizes the need to balance returns with the long-term preservation of capital.

The following chart shows the annual portfolio returns for the Council in each year since 2010 and the corresponding effect that these returns have had on the year-end market value. The chart also demonstrates how 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 funds. This proactive approach is intended to bring additional stability and long-term growth for the Council's investment portfolio.

## Annual Portfolio Returns



Despite the downturn at the end of the year, the portfolio provided an excess of \$11.5 million of net realized investment income over the \$12.2 million budgeted amount. The main contributors were large distributions of dividends by the equity and fixed income pooled funds totalling \$17.8 million and realized gains of \$8.4 million coming from the liquidation of a real estate and infrastructure pooled funds.

## Other revenues

Other revenues include the cancellation of grants awarded in previous years, donations, tax rebates, and other sources of revenues received. During the year, Council recovered \$0.7 million more in unused grants than budgeted and also recognized transfers of approximately \$5.3 million received for activities related to the Cervantino Internacional Festival and the 2020 Frankfurt Book Fair. These explain the positive variance of \$5.6 million compared to budgeted amounts.

## Program expenses

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

(in thousands of dollars)	Budget 2020	Actual 2020	Actual 2019
Grant, author payments and prizes	\$ 285,507	\$ 289,928	\$ 261,843
Transfer program delivery	25,600	23,181	21,296
Arts community services	7,003	3,402	3,005
Net Art Bank results	247	1	32
Canadian Commission for UNESCO	2,648	2,512	2,581
	<b>\$ 321,005</b>	<b>\$ 319,024</b>	<b>\$ 288,757</b>

In 2019-20, program expenses accounted for 94% of the Council's total expenses of \$339.7 million, same as in the previous year. Overall, program expenses are \$30.3 million more than the previous year.

The vast majority of the program expenses relate to grants, author payments and prizes at \$289.9 million which were \$4.4 million above budget. The \$28.1 million increase compared to the previous year is explained mostly by an inflow in the grants budget of \$32.5 million, representing 92.9% of the additional \$35 million in government funding. This increase was offset by a carry-forward of \$5.5 million for the Digital Strategy Fund for specific new activities in 2020-21.

In addition to the new funds, the Council reinvested a total of \$4.5 million into grant expenses from intra-year savings and delayed projects, which was comparable to a similar investment of \$4.2 million last year. The Council also received approximately \$5.3 million in contributions from partnerships with the Departments of Global Affairs Canada and Canadian Heritage to support program activities related to the 2020 Frankfurt Book Fair and the Festival Internacional Cervantino. Most of these contributions were directly invested in grants.

As part of its strategic commitment to increase direct support to artists, the Council also increased the payments to authors via the Public Lending Right program by \$2.5 million, the second portion of a \$5.0 million commitment over a two-year period, for a total amount of \$14.8 million this year. The Council also distributed \$2.8 million in prizes and awards that recognize excellence and innovation in Canada.

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. The costs of transfer program delivery totaled \$23.2 million for the year, \$2.4 million below the budgeted amount. This is mainly attributable to savings in salaries and benefits totaling \$1.9 million due to some vacancies and underspending of \$1.0 million in staff travel, professional services fees and prize presentation offset by an overspending of \$0.7 million in program adjudication mostly due to the Frankfurt initiative and higher volume of applications. The Council will continue to review and simplify processes by modernizing its current systems over the next fiscal years.

Services to the arts community include other types of financial support such as partnerships (which provide funding to support the arts), research, workshop expenses, event costs and program evaluation. These costs were higher than the previous year by \$0.4 million but lower than budget by \$3.6 million, savings which contributed most of the \$4.5 million reinvestment in grants. This year the Council embarked on new events or partnerships such as the Festival Internacional Cervantino and the 2020 Frankfurt Book Fair.

Net Art Bank results were \$246 thousand under budget in 2019-20 due to higher than forecast rental revenues of \$89 thousand and other income of \$54 thousand. Actual administration expenses were lower than budgeted by \$91 thousand, slightly offset by lower than budgeted amortization expense of \$6 thousand. The growth in rental revenues is a result of promoting the Art Bank and its services through outreach activities such as exhibitions and loans, and also, being more active in the private sector.

The Canadian Commission for UNESCO (CCUNESCO) had net expenses of \$2.5 million in 2019-20, a decrease of \$69 thousand in comparison to last year, and slightly under budget by \$136 thousands. The increase in program expenses was offset by contributions received from partners for various initiatives. CCUNESCO, established by an Order in Council in 1957, supports UNESCO priorities, networks and activities in Canada; encourages Canadian participation in UNESCO activities domestically and abroad, including the provision of expert advice and assistance from both governmental and non-governmental organizations; and provides advice about UNESCO to various levels of governments, including Global Affairs Canada.

## 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 and benefits, travel, accommodation, professional services, amortization, and others. At \$20.7 million, these costs were virtually on budget with a slight overspending of \$0.2 million and represented 6.1% of total expenses compared to 6.3% in 2018-19. 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 losses from portfolio investments as at March 31, 2020 were \$32 thousand. These are the accumulated unrealized losses, net of reclassification to the Statement of Operations upon realization, for changes in fair value of the Council's unrestricted portfolio investments.

# RISK MANAGEMENT

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

The Council’s existing 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 including its risk profile and related mitigation, financial performance and performance of the investment portfolio. The Council’s executive management is responsible for risk management under the direct oversight of the Board.

## Risk Appetite

The Council follows a prudent risk-taking approach in managing its activities. It defines 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. It manages risk within the constraints of its mandate, values, organizational culture, and both its public and internal commitments.

<i>Risk Category</i>	<i>Area of Work</i>	<i>Canada Council Risk Appetite</i>
<b>Strategic risk</b>	Mandate and reputation	<p>The Council will avoid any situations that could adversely affect its support of the arts in Canada.</p> <p>The Council is cautious in accepting risks that could affect its ability to build and sustain reputational strength with the public.</p> <p>The Council will accept risk in activities that support artistic aspirations, creativity and innovation as these are essential to the development and evolution of a vital and diverse arts sector that enriches the lives of all Canadians.</p>
<b>Program delivery risk</b>	Granting processes	<p>The Council is accountable to its stakeholders (government, clients, and the general public) for the effective delivery of its funding programs. As such, it will avoid any situations that could negatively impact the rigour and transparency of its granting processes.</p> <p>With regards to its suite of funding programs and support to the arts community, the Council will not put at risk its ability to be flexible and responsive to changes in the arts environment.</p>
<b>Human Resources risk</b>	Internal structure Staffing	The Council is willing to accept moderate risks that could lead to improved internal structure, staffing, and services, as well as overall strategy execution to enable continuous improvement of its operating performance.
<b>Information and systems risk</b>	Services Systems	The Council is willing to accept moderate risks that could lead to improved processes and efficiencies in program delivery to enable continuous improvement of its operating performance.
<b>Financial risk</b>	Financial management Investments	<p>The Council will avoid any financial decisions or activities that would negatively impact its cost-effectiveness.</p> <p>Risk decisions for investments will be consistent with the Council’s Board Statement of Investment Beliefs and Statement of Investment Policies and Goals.</p>
<b>Compliance risk</b>	Legislative and corporate reporting requirements	The Council will avoid any risks that could affect its capacity to independently govern itself or its ability to meet its legislative obligations.

## Risk Profile

Using the Council's risk appetite as key context, a new risk management framework was created in the fall of 2018. Every year the Council reviews the identified risks which are ranked based on likelihood and potential impact on the Council's operations with a focus on potential operational, financial, and reputational dimensions. The corporate risk profile highlighting the top risks areas and their mitigation strategies was presented to the Board in January 2020.

The risk mitigation strategies and related activities are monitored on an ongoing basis by assigned members of the executive management to reduce the risk exposure. Regular updates on these risks are provided to the Audit and Finance Committee to ensure continuous oversight and the effectiveness of the mitigation strategies that have been put in place.

## 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 the Council's receivables are expected to be received within 90 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 preferred rate account at a financial institution until it is required. The Council's investment 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.

# GOVERNANCE



## Board mandate

The Canada Council for the Arts is led by a director and 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.

As stewards of the Council, the Board is responsible for the oversight of the organization's policies, programs, budgets, grant decisions, and strategic planning. The Board is accountable to Parliament through the Minister of Canadian Heritage.

The general duties of the Board are described in the Council's [By-laws](#) and [Governance Policy](#).

## Highlights

In 2019-20, the Board held four meetings in Ottawa, during which it:

- approved the appointment of new external members on the Investment Committee and the reappointment of the President and Vice-President of the Canadian Commission for UNESCO;
- continued to exercise its oversight role over the deployment of the *Strategic Plan 2016-21* and the *Digital Shift Roadmap*;
- held strategic discussion sessions in preparation for the 2021-26 Strategic Plan;
- approved the use of the \$800 thousand bequest from Sheila Kathleen Piercey;
- approved the *Operational and Capital Budget* and the *Annual Financial Statements*;
- exercised oversight on the Council's budgets and various policies, including changes to the *Risk Management Policy*, the by-laws and the *Governance Policy*;
- approved contracts over \$500 thousand; and
- held the Annual Public Meeting at the Council's offices at 150 Elgin Street, in Ottawa, on January 21, 2020.

## Board independence

All members of the Board are independent. While the Director and CEO and executive management attend Board meetings to provide information and report on activities, only Board members may vote and make decisions. Board committees are composed of Board members. The Investment Committee also includes external experts selected for their knowledge and expertise. At each Board meeting, in camera sessions are held with the Director and CEO and with Board members only.

## Culture of ethical business conduct

Board members, as part-time public office holders, are bound by the federal government's [Conflict of Interest Act](#) and the [Values and Ethics Code for the Public Sector](#). The Board is required to disclose any real, apparent or potential conflicts of interest on an annual basis and as they occur throughout the year.

## Corporate social responsibility

The Council is committed to carrying 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 fulfil this commitment, the Council:

- conducts its business with honesty, integrity and fairness, and ensures that ethical considerations and implications are embedded in all decision-making processes;
- works with and is inspired by the community that it serves—Canadians as a whole. It strives to engage Canadians through a vital and diverse arts sector that enriches communities and reaches markets across the world;
- 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 its activities; and
- recognizes the importance of public accountability and open communications and 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.

## 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.

New Board members receive a comprehensive information package prior to their first meeting. They also have an orientation session with executive management and sit in on committee meetings to learn about the Council's work. Orientation sessions are held with new Board members prior to any committee meetings to which they have been appointed.

The Privy Council posted the notice of opportunity for the Council's chairperson position on the Governor in Council website from February 10 to February 28, 2020.

At March 31, 2020, there were no Board vacancies.

## Board diversity

The Canada Council has a history of embedding values of equity and diversity within its operations. The “Board Diversity Statement of Principles,” which is in the *Governance Policy*, is intended to summarize and make public the Council’s values and objectives related to Board diversity. This includes representation on the Board of Canada’s official languages, regions, generations, Indigenous Peoples and cultural diversity, along with gender equity.

## Performance evaluation

Annually, under the direction of the Governance and Nominating Committee, the Board evaluates the performance of the full Board and its committees.

The director and CEO’s performance is assessed annually by the Board, based on the Privy Council Office’s Performance Management Program for Chief Executive Officers of Crown Corporations. The Board communicates the results of the director and CEO’s annual performance evaluation to the Minister of Canadian Heritage.

## 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 legislation and/or responsible departments.

### Annual Public Meeting

On January 21, 2020, the Council held its Annual Public Meeting (APM) in Ottawa. It reported on its recent activities and plans for the future and engaged with interested stakeholders. The Director and CEO, Chair, Vice-Chair, Board members and senior staff were present. The meeting was live streamed across the country in English, French and sign languages (ASL and LSQ).

The APM reached a large audience, including approximately 100 guests on site and over 700 views via the livestream. The conversation continued on social media, notably with the hashtags #CanadaCouncil20 and #Conseildesarts20 on Twitter. As part of the APM, guests were invited to visit *Open Channels*, an exhibition in the Ajagemô Exhibition Space, and to enjoy a live performance by Canadian singer Sarah Harmer.

Speeches and a recording from the webcast of the APM were made available on the Council’s [website](#).

## Annual Report

According to the *Canada Council for the Arts Act*, the Council must submit an annual report after each fiscal year to the Minister of Canadian Heritage to be tabled in Parliament. The annual report presents all proceedings for the fiscal year, including the Council’s financial statements.

## Access to Information Act and Privacy Act

The Canada Council is responsible for completing an *Annual Report on the Administration of the Access to Information Act* and an *Annual Report on the Administration of the Privacy Act*. These reports are submitted to the Minister of Canadian Heritage to be tabled in Parliament.

## Canadian Multiculturalism Act

The Canada Council is responsible for completing an *Annual Report on the Operation of the Canadian Multiculturalism Act*. This report is submitted annually to the Department of Canadian Heritage.

## Employment Equity Act

As a federal organization with over 100 employees, the Canada Council files an annual *Employment Equity Report* with Employment and Social 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 Canadian Heritage regarding section 41 of Part VII of the Act. The Canada Council also presents an annual review detailing its activities under Part VII to the Department of Canadian Heritage. Every three years, it presents a report on Parts IV, V, VI and VII to the Department of Canadian Heritage and the Treasury Board Secretariat.

## 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

The 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. The director and CEO is also a member of the Executive Committee, but in a non-voting capacity.

Membership: Pierre Lassonde (Chair), Nathalie Bondil (Vice-Chair), Beverley K. Foy (Chair of the Audit and Finance Committee) and Cheryl Hickman (Chair of the Governance and Nominating Committee)

## Audit and Finance Committee

The Audit and Finance Committee provides oversight of the Canada Council's financial performance and ensures the integrity, effectiveness and accuracy of the Canada Council's financial reporting, control systems, integrated risk management processes and audit functions. In camera sessions are held with the Office of the Auditor General, with the internal auditors and with Audit and Finance Committee members only.

Membership: Beverley K. Foy (Chair), David Binet, Karl Schwonik and Kim Spencer-Nairn

## Governance and Nominating Committee

The Governance and Nominating Committee provides ongoing review and recommendations to the Board with respect to discharging its stewardship and oversight responsibilities on matters relating to corporate governance, the conduct of the Board's affairs, and human resources strategies and other related matters.

Membership: Cheryl Hickman (Chair), Jesse Wentz, David Binet and Ben Nind

## Investment Committee

The 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, David Binet and external experts George Mavroudis (Chair until June 13, 2019, and member until June 13, 2020), Michael White (member until June 13, 2019, and Chair as of June 14, 2019), Kiki Delaney (until August 18, 2019), John Montalbano, Paul Robillard, Kim Shannon and Martha Tredgett (as of January 22, 2020)

## Advisory groups

Jennifer Dorner serves as Board representative on the Canadian Commission for UNESCO Executive Committee.

Ben Nind serves as Board representative to the Canadian Public Arts Funders network.

## Proactive disclosure

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



Photo: Martin Lipman

Sarah Harmer performing at the Canada Council's Annual Public Meeting in January 2020.

## 2020 APM: A FOCUS ON THE POWERFUL VOICES OF ARTISTS

The Council's Annual Public Meeting (APM) is one of the ways the Council reports on its activities. It is a bridge between the accomplishments of the last fiscal year and the projects underway in the current year. On January 21, 2020, some 100 people attended the APM at the Council's offices, and about 700 people watched a livestream of the meeting from communities across Canada and around the world. The Council also posted a recording of the event to its website for audiences to view afterwards.

The Council's 2020 APM was also an important opportunity to showcase its *Âjagemô* exhibition space where, once again, the post-event reception was held. This time, the APM reception coincided with a celebration to mark the close of the latest exhibition in the space, *Open Channels*, which featured the works of visual artists inspired by experiences on the Canada C3 sailing expedition, organized by the Students on Ice (SOI) foundation to mark Canada's sesquicentennial. For example, works in the exhibition examined areas like climate change and Indigenous and non-Indigenous relations. This made the exhibition a fitting setting for the APM reception as it emphasized—like the APM itself—the strong connections between the arts and the most pressing conversations of our times.

APM attendees also had the great privilege of enjoying a performance by singer-songwriter Sarah Harmer at the post-event reception. Harmer—who was also an artist on the C3 expedition—performed several of her songs, including "Escarpment Blues"—a song she wrote several years prior to protest a quarry development near her hometown on the Niagara Escarpment. The performance, along with the exhibition, was a powerful reminder of the ways in which the voices of artists draw attention to areas of public concern, interest, and inspiration.

## 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 2019-20, there were no internal disclosures of wrongdoing in the workplace.

## Remuneration

The Board remuneration is fixed by the Governor in Council, pursuant to Section 6(1) of the *Canada Council for the Arts Act*. Per diem amounts are determined by the [Remuneration guidelines for part-time Governor in Council appointees in Crown corporations](#), published by the Privy Council Office.

Board members' compensation is comprised of an annual retainer and per diems. Board members are also eligible for reimbursement of travel.

The annual retainer is paid on a pro-rata basis. The rates are as follows:

- Chair: \$8,800
- Vice-Chair: \$4,700
- Board members: \$4,400

Per diems are a daily amount based on time spent on Board and Council business. The rates are as follows:

- Chair: \$375
- Vice-Chair: \$325
- Board members: \$325

In 2019-20, the total remuneration was:

- Board: \$72,400 (aggregate honorarium)
- Director and CEO: \$226,000 – \$265,800 (fixed by the Governor in Council)
- Executive positions: \$125,900 – \$165,700

## Executive Management



At March 31, 2020, the Executive Management Committee consisted of (from left to right) Joanne Larocque-Poirier, Chief of Staff and Corporate Secretary; Carole Boileau, Chief Financial Officer and Chief Security Officer; Michelle Chawla, Director General, Strategy, Public Affairs and Arts Engagement; Ian Lovsin, Chief Information Officer; Simon Brault, Director and CEO; and Carolyn Warren, Director General, Arts Granting Programs.

## Board Members (as of March 31, 2020)



**Pierre Lassonde**  
Chair (Toronto, ON)



**Nathalie Bondil**  
Vice-Chair  
(Montréal, QC)



**David Binet**  
(Toronto, ON)



**Beverley K. Foy**  
(Calgary, AB)



**Jennifer Dorner**  
(Montréal, QC)



**Cheryl Hickman**  
(St. John's, NL)



**Ben Nind**  
(Yellowknife, NT)



**Yann Martel**  
(Saskatoon, SK)



**Karl Schwonik**  
(Medicine Hat, AB),



**Kim Spencer-Nairn**  
(Vancouver, BC),



**Jesse Wentz**  
(Toronto, ON)

## Board and Committee Meetings and Attendance (April 1, 2019, to March 31, 2020)

	<b>Board Meetings</b>	<b>Executive Committee</b>	<b>Investment Committee</b>	<b>Audit and Finance Committee</b>	<b>Governance and Nominating Committee</b>
<b>Total Number of Meetings</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>7</b>	<b>3</b>
Pierre Lassonde, Chair	4/4	--	Ex officio	Ex officio	Ex officio
Nathalie Bondil, Vice-Chair	4/4	--	Ex officio	Ex officio	Ex officio
David Binet	4/4	N/A	2/3	6/7	3/3
Jennifer Dorner	4/4	N/A	N/A	N/A	N/A
Beverley K. Foy	4/4	--	3/3	7/7	N/A
Cheryl Hickman	4/4	--	N/A	N/A	3/3
Ben Nind	4/4	N/A	N/A	N/A	3/3
Yann Martel	4/4	N/A	N/A	N/A	N/A
Karl Schwonik	4/4	N/A	N/A	7/7	N/A
Kim Spencer-Nairn	4/4	N/A	N/A	7/7	N/A
Jesse Wentz	4/4	N/A	N/A	N/A	3/3

# FINANCIAL STATEMENTS

# MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Canada Council for the Arts (the "Council") and all the information in this annual report are the responsibility of Management and have been approved by the Board.

The financial statements have been prepared by Management in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, Management has chosen those it deems most appropriate in the circumstances. The financial statements include amounts based on Management's best estimates as determined through experience and judgment. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

The Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the organization's assets are appropriately accounted for and safeguarded.

The Board is responsible for the management of the business and activities of the Council. In particular, they are responsible for ensuring that Management fulfills its responsibilities for financial

reporting and internal controls. They exercise this responsibility through the Audit and Finance Committee, which is composed of members who are not employees of the Council. The Audit and Finance Committee meets with Management, the internal auditors and the Auditor General of Canada on a regular basis. The Committee reports its findings to the Board for consideration when approving the financial statements.

The independent auditor, the Auditor General of Canada, is responsible for auditing the financial statements of the Council and for issuing the report thereon.

June 23, 2020



**Simon Brault, O.C., O.Q., FCPA, FCGA**  
Director and Chief Executive Officer



**Carole Boileau, CPA, CA**  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

To the Canada Council for the Arts and the Minister of Canadian Heritage

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Canada Council for the Arts (the Council), which comprise the statement of financial position as at 31 March 2020, and the statement of operations, statement of remeasurement gains and losses, statement of changes in net financial assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 March 2020, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Compliance with Specified Authorities**

#### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Canada Council for the Arts coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of Part X of the *Financial Administration Act* and regulations, the *Canada Council for the Arts Act* and the by-laws of the Canada Council for the Arts.

In our opinion, the transactions of the Canada Council for the Arts that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

#### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Canada Council for the Arts' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Canada Council for the Arts to comply with the specified authorities.

#### *Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Dusan Duvnjak, CPA, CMA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
23 June 2020

## Statement of Financial Position

As at March 31 (in thousands of dollars)	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash	\$ 21,624	\$ 31,235
Accounts receivable	3,347	3,146
Portfolio investments (Note 3)	391,200	411,066
<b>Total financial assets</b>	<b>416,171</b>	<b>445,447</b>
<b>LIABILITIES</b>		
Grants, author payments and prizes payable	58,070	68,081
Accounts payable and accrued liabilities	5,128	5,072
Deferred revenues	6,604	7,043
Employee future benefits (Note 5)	4,340	3,867
Deferred revenues - Externally restricted contributions (Note 6)	50,253	55,736
<b>Total liabilities</b>	<b>124,395</b>	<b>139,799</b>
<b>NET FINANCIAL ASSETS</b>	<b>\$ 291,776</b>	<b>\$ 305,648</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	11,446	9,793
Art Bank assets (Note 8)	19,465	19,455
Musical instruments (Note 9)	1	1
Prepaid expenses	748	224
<b>Total non-financial assets</b>	<b>31,660</b>	<b>29,473</b>
<b>ACCUMULATED SURPLUS</b> (Note 10)	<b>\$ 323,436</b>	<b>\$ 335,121</b>
Accumulated surplus is comprised of:		
Accumulated surplus from operations	323,468	304,390
Accumulated remeasurement gains (losses)	(32)	30,731
<b>ACCUMULATED SURPLUS</b>	<b>\$ 323,436</b>	<b>\$ 335,121</b>

Contractual obligations and commitments (Note 15)

The accompanying notes and schedules form an integral part of the financial statements

APPROVED BY THE BOARD



**Pierre Lassonde, C.M., G.O.Q.**  
Chair



**Nathalie Bondil, C.M., C. Q.**  
Vice-Chair

## Statement of Operations

	Budget 2020	Actual 2020	Actual 2019
For the year ended March 31 (in thousands of dollars)			
<b>Revenues</b>			
Net realized investment income (Note 11)	\$ 12,161	\$ 23,693	\$ 13,522
Other revenues	1,655	7,297	2,436
<b>Total revenues</b>	<b>13,816</b>	<b>30,990</b>	<b>15,958</b>
<b>Expenses</b>			
Transfer Programs			
Grants, author payments and prizes (Schedule I)	285,507	289,928	261,843
Transfer program delivery (Schedule II)	25,600	23,181	21,296
Arts community services (Schedule III)	7,003	3,402	3,005
	318,110	316,511	286,144
Net Art Bank results (Note 12)	247	1	32
Canadian Commission for UNESCO (Note 13)	2,648	2,512	2,581
General administration (Schedule II)	20,446	20,659	19,491
<b>Total expenses</b>	<b>341,451</b>	<b>339,683</b>	<b>308,248</b>
Deficit from operations before Parliamentary appropriations	(327,635)	(308,693)	(292,290)
Parliamentary appropriations	327,644	327,771	292,991
<b>SURPLUS FROM OPERATIONS</b>	<b>9</b>	<b>19,078</b>	<b>701</b>
ACCUMULATED SURPLUS FROM OPERATIONS, BEGINNING OF YEAR	304,390	304,390	303,689
<b>ACCUMULATED SURPLUS FROM OPERATIONS, END OF YEAR</b>	<b>\$ 304,399</b>	<b>\$ 323,468</b>	<b>\$ 304,390</b>

## Statement of Remeasurement Gains and Losses

	2020	2019
For the year ended March 31 (in thousands of dollars)		
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	\$ 30,731	\$ 20,565
<b>Unrealized gains (losses) attributable to:</b>		
Portfolio investments	(19,733)	10,036
<b>Amounts reclassified to the Statement of Operations:</b>		
Portfolio investments	(11,030)	130
<b>NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR</b>	<b>(30,763)</b>	<b>10,166</b>
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR</b>	<b>\$ (32)</b>	<b>\$ 30,731</b>

The accompanying notes and schedules form an integral part of the financial statements

## Statement of Changes in Net Financial Assets

For the year ended March 31 (in thousands of dollars)	Budget 2020	Actual 2020	Actual 2019
ANNUAL SURPLUS FROM OPERATIONS	\$ 9	\$ 19,078	\$ 701
Acquisition of tangible capital assets (Note 7)	(6,751)	(3,347)	(2,479)
Amortization of tangible capital assets (Note 7)	1,913	1,694	1,707
Acquisition of Art Bank assets (Note 8)	-	(10)	(41)
Disposals/donations of Art Bank assets (Note 8)	-	-	7
	(4,838)	(1,663)	(806)
Acquisition of prepaid expenses	-	(871)	(261)
Use of prepaid expenses	-	347	307
	-	(524)	46
Net remeasurement gains (losses)	-	(30,763)	10,166
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(4,829)	(13,872)	10,107
NET FINANCIAL ASSETS, BEGINNING OF YEAR	305,648	305,648	295,541
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 300,819</b>	<b>\$ 291,776</b>	<b>\$ 305,648</b>

## Statement of Cash Flows

For the year ended March 31 (in thousands of dollars)	2020	2019
<b>Operating Transactions</b>		
Surplus from operations	\$ 19,078	\$ 701
(Gains) losses from disposal of portfolio investments (Note 11)	(11,526)	1,369
Amortization of tangible capital assets (Note 7)	1,694	1,707
Disposals/donations of Art Bank assets (Note 8)	-	7
(Increase) decrease in prepaid expenses	(524)	46
Increase in employee future benefits	473	385
Income transferred to Deferred revenues - Externally restricted contributions from investment income (Note 6)	4,702	809
Net change in other non-cash items (Note 14)	(10,576)	(1,477)
Cash provided by operating activities	3,321	3,547
<b>Capital Transactions</b>		
Acquisition of tangible capital assets (Note 7)	(3,389)	(2,172)
Acquisition of Art Bank assets (Note 8)	(10)	(41)
Cash used by capital activities	(3,399)	(2,213)
<b>Investing Transactions</b>		
Acquisition of portfolio investments	(43,762)	(96,140)
Disposal of portfolio investments	31,284	91,853
Cash used by investing activities	(12,478)	(4,287)
NET DECREASE IN CASH	(12,556)	(2,953)
CASH, BEGINNING OF YEAR	36,408	39,361
<b>CASH, END OF YEAR</b>	<b>23,852</b>	<b>36,408</b>
<b>Represented by:</b>		
Cash	21,624	31,235
Cash held for investment purposes included in the portfolio investments	2,228	5,173
	<b>\$ 23,852</b>	<b>\$ 36,408</b>

The accompanying notes and schedules form an integral part of the financial statements

# Notes to the Financial Statements

## March 31, 2020

### 1. AUTHORITY, MANDATE AND ACTIVITIES

The Council, established by the *Canada Council Act* in 1957 and subsequently amended in 2001 by Bill C-40 to the *Canada Council for the Arts Act*, is not an agent of Her Majesty and is deemed to be a registered charity for the purposes of the *Income Tax Act*. In accordance with section 85(1.1) of the *Financial Administration Act*, the Council is exempt from Divisions I to IV of Part X of this Act, except for subsection 105(2) and sections 113.1 and 119 of Division II, sections 131 to 148 of Division III and section 154.01 of Division IV. The Council is a Crown corporation whose objectives are to foster and promote the study and enjoyment of, and the production of works in, the arts.

The Council achieves its objectives primarily through grant programs to professional Canadian artists and arts organizations. The Council incurs administration and services expenses in the delivery of programs. Transfer Program delivery expenses represent the direct costs of program delivery. Arts community services expenses represent costs incurred for non-grant activities in fulfillment of the Council's mandate. General administration costs represent the costs related to corporate management, communications, human resources, information management, finance, accommodation and amortization.

The Canadian Commission for UNESCO (CCUNESCO) was established by the Council pursuant to a 1957 Order in Council. The CCUNESCO acts as a forum for governments and civil society to mobilize the participation of Canadians in UNESCO's mandated areas of education, natural and social sciences, and culture, communication and information. The Secretariat for the CCUNESCO is provided by the Council and led by a Secretary General who reports directly to the Director and Chief Executive Officer.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

The Council considers itself to be an "other government organization." These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) as promulgated by the Chartered Professional Accountants (CPA) of Canada.

The Council's significant accounting policies are as follows:

#### Financial instruments

All financial instruments are initially measured at fair value. The following table identifies the Council's financial assets and liabilities and identifies how they are subsequently measured on the Statement of Financial Position:

Financial asset or liability	Subsequent measurement
Accounts receivable	Amortized cost
Portfolio investments	Fair value
Grants, author payments and prizes payable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

#### Portfolio investments

Unrealized changes in the fair value of portfolio investments are recognized in the Statement of Remeasurement Gains and Losses, except for the restricted portion which is recognized as a liability under Deferred revenues - Externally restricted contributions. Once realized, the cumulative gain or loss previously recognized in the Statement of Remeasurement Gains and Losses is recorded in net realized investment income on an average cost basis for the year. The realized gains and losses on externally restricted contributions are recognized in accordance with the externally restricted contributions accounting policy. Purchases and dispositions of portfolio investments are recorded on the trade date. Management fees charged are expensed in the year they are incurred.

The cash held for investment purposes is included in portfolio investments in the Statement of Financial Position and also shown as a separate item in the Statement of Cash Flows.

A decline in the fair value considered to be other than temporary is recognized as an impairment loss and is removed from the Statement of Remeasurement Gains and Losses and reported in net realized investment income in the Statement of Operations.

#### Tangible capital assets

Office and computer equipment, computer software and leasehold improvements are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method, over the estimated useful lives of the assets as follows:

Office equipment	10 years
Computer equipment	4 years
Computer software	7 years
Leasehold improvements	remaining term of the lease

The estimated useful lives, residual values and depreciation method are determined in the capital asset policy, which is reviewed on a regular basis with the effect of any changes in estimate accounted for on a prospective basis.

Work in progress represents the costs incurred to date on a capital project that is incomplete and not in use, or for system implementations, when the system is not in production at the end of an accounting period. Work in progress projects are not amortized until in use or in production.

#### Art Bank assets

The Art Bank assets are carried at the cost of purchase or independently appraised value of donation plus cost of framing, mounting and shipping when acquired. Those costs, less any estimated residual value, are amortized using a straight line method over the estimated useful lives of these assets which is 50 years.

#### Musical instruments

Musical instruments, which have cultural and historical value, are recorded at nominal value in the Statement of Financial Position as a reasonable estimate of the future benefits associated with such assets cannot be made.

#### Employee future benefits

##### i) PENSION BENEFITS

Substantially all of the employees of the Council are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Council to cover current service cost. Pursuant to legislation currently in place, the Council has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Council.

## Notes to the Financial Statements (continued)

### March 31, 2020

#### ii) SEVERANCE BENEFITS

In 2012, under labour contracts and conditions of employment, the decision was made to terminate the severance benefits. The severance benefit obligation for eligible employees who will retire or resign, that accrued up to June 30, 2012 and remains unpaid, is adjusted at year end to reflect actuarial gains and losses and salary adjustments.

#### iii) RETIREES' BENEFITS

The Council provides extended health care and dental benefits to its current and retired employees. Retirees pay 50% of the extended health care premium and 100% of the dental premium. The Council accrues its obligations as the employees render the services necessary to earn these benefits. The cost of these benefits earned by employees has been estimated using the accrued benefit method (Unit Credit).

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) are amortized over the average remaining service period of active employees.

### Deferred revenues - Externally restricted contributions

Externally restricted income is recognized as revenue in the Statement of Operations in the year in which the resources are used for the purpose or purposes specified. An externally restricted inflow, excluding original principal, received before this criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

### Endowment principal - Externally restricted contributions

Externally restricted contributions consist of endowments and restricted donations received by the Council that are required to be maintained intact. They are reported under Accumulated Surplus from Operations.

### Reserve for excess investment income

This reserve represents the sum of excess investment income since the establishment of the Council in 1957 and is presented as a separate internal reserve within the accumulated surplus from operations. In years when net investment income exceeds the amount of net budgeted investment income, an amount may be transferred from the accumulated surplus from operations to the reserve for excess investment income. In years when net investment income is less than the amount of net budgeted investment income, an amount may be transferred to the accumulated surplus from operations from the reserve for excess investment income. These transfers are approved by the Board.

### Revenue recognition

#### i) PARLIAMENTARY APPROPRIATIONS

Parliamentary appropriations are considered government transfers and are recognized as revenue in the year for which they are approved by Parliament. Parliamentary appropriations received for specific projects are deferred when the stipulations and circumstances create an obligation that meets the definition of a liability. They are subsequently recognized on the Statement of Operations when the obligation no longer exists.

#### ii) RESTRICTED AND UNRESTRICTED CONTRIBUTIONS

The Council receives contributions that are externally restricted for specific purposes by the donors.

Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received. The externally restricted contributions that are not held in perpetuity, externally restricted investment income, and realized and unrealized gains and losses on externally restricted investments are recorded as a liability until the resources are used for their specified purpose, at which time the contributions are recognized as revenue.

Unrestricted contributions are recognized as other revenue in the year received or in the year the funds are committed to the Council if the amount can be reasonably estimated and collection is reasonably assured.

In-kind contributions consist mostly of donations to the Art Bank assets and are recorded at their appraised value as a non-financial asset and as revenue under net Art Bank results when they are received.

#### iii) ART BANK RENTAL REVENUES

Rental revenues generated from Art Bank assets are recognized in the year in which services are provided. They are included in net Art Bank results on the Statement of Operations.

#### iv) OTHER REVENUES

Other revenues consist mainly of the cancellation in the current year of grants approved in previous years and contributions for partnership agreements.

#### v) FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate in effect at the date of the Statement of Financial Position. Revenue and expense items are translated at exchange rates prevailing throughout the year. Unrealized foreign exchange gains and losses are recognized in the Statement of Remeasurement Gains and Losses, except for the restricted portion which is recognized as a liability under Deferred revenues - Externally restricted contributions. Once realized, the cumulative gain or loss is recognized in net realized investment income on the Statement of Operations.

### Grants, author payments and prizes

Grants, author payments and prizes are considered to be a government transfer. They are recorded as an expense in the year for which they are budgeted and approved by the Board, authority to pay has been obtained through the *Appropriation Act*, and results communicated to the applicants.

### Operating leases

The Council enters into operating leases for its office accommodation which are recorded on a straight-line basis over the term of the lease. Lease inducements are recorded as a reduction to the office accommodation expense on a straight-line basis over the term of the lease.

## Notes to the Financial Statements (continued)

### March 31, 2020

#### Measurement uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the reporting year. Employee future benefits liabilities, the estimated useful lives of tangible capital assets, the residual and appraised value of the Art Bank assets, and the fair value of financial instruments are the most significant items where estimates are used.

With respect to the portfolio investments, the level of measurement uncertainty varies based on the classification of the financial instruments in the fair value hierarchy as described in Note 4. Due to the inherent nature of Level 3 financial instruments measured using unobservable inputs there is a significant level of measurement uncertainty.

Actual results could differ from those estimated.

#### Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

i) Inter-entity transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered.

ii) Goods or services received without charge between commonly controlled entities are not recorded.

#### Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

#### Budgeted figures

Budgeted figures, as approved by the Board, have been provided for comparison purposes.

### 3. PORTFOLIO INVESTMENTS

(in thousands of dollars)	2020					2019		
	Cost	Unrealized losses	Unrealized gains	Fair value		Cost	Fair value	
	\$	\$	\$	\$	%	\$	\$	%
<b>Canada Council Endowment and Special Funds</b>								
Pooled funds								
Canadian Equity	8,205	1,309	-	6,896	2	7,881	8,027	2
Global Equity	139,975	12,329	3,567	131,213	41	132,268	138,221	41
Fixed income	87,118	183	323	87,258	27	84,105	84,802	25
Alternatives	20,630	-	8,629	29,259	9	20,630	30,936	9
Canadian Equity	35,086	6,964	-	28,122	9	32,181	35,319	11
Real estate	7,660	-	2,142	9,802	3	9,941	12,648	4
Infrastructure	23,537	-	6,421	29,958	9	14,485	25,276	7
Cash	1,583	-	-	1,583	0	3,870	3,870	1
	323,794	20,785	21,082	324,091	100	305,361	339,099	100
<b>Killam Fund</b>								
Pooled funds								
Canadian Equity	8,795	1,836	-	6,959	10	8,037	8,613	12
Global Equity	27,741	2,443	703	26,001	39	26,214	27,389	38
Fixed income	17,704	45	56	17,715	26	17,149	17,282	24
Alternatives	5,298	-	2,209	7,507	11	5,298	7,937	11
Real estate	1,965	-	565	2,530	4	2,648	3,386	5
Infrastructure	4,168	-	1,584	5,752	9	3,691	6,728	9
Cash	645	-	-	645	1	632	632	1
	66,316	4,324	5,117	67,109	100	63,669	71,967	100
<b>Total Portfolio investments</b>	<b>390,110</b>	<b>25,109</b>	<b>26,199</b>	<b>391,200</b>		<b>369,030</b>	<b>411,066</b>	



## Notes to the Financial Statements (continued)

### March 31, 2020

Unrealized gains/losses on investments are primarily due to the timing of the market prices, foreign exchange movements, or the early years in the business cycle for some investments. Annually, the Council assesses each of its investment instruments against specific criteria to determine whether there is objective evidence that the adjusted cost may not be recovered and is therefore impaired. The Council does not consider these investments to be other-than-temporarily impaired as at March 31, 2020.

The Council manages two separate portfolios, the Canada Council Endowment and Special Funds as well as the Killam Fund. The Killam's will requested that their donation be invested separately. Apart from the Killam Fund, all other externally restricted contributions are consolidated into the Canada Council Endowment and Special Funds and represent 8% (2019 - 8%) of that Fund with a total fair value of \$25,960,000 (2019 - \$27,162,000). The total fair value of the externally restricted investment including the Killam Fund is \$93,069,000 (2019 - \$99,129,000).

All transactions for the externally restricted contributions are initially paid by or received in the Council's general bank account thus creating temporary interfund balances. The interfund balance of externally restricted contributions owed to Council at March 31, 2020 by the Special Funds is \$4,058,000 (2019 - \$3,847,000) and owed by the Killam Fund is \$3,187,000 (2019 - \$1,337,000).

The long-term objectives of the Canada Council Endowment and Special Funds as well as the Killam Fund are to generate long-term real returns to supplement the costs of administering the various programs, while maintaining the purchasing power of the endowed capital.

The Council invests in units of equity, fixed income and alternative pooled funds, in a segregated Canadian equity fund and in limited partnership units of four real estate funds and six infrastructure funds. The permitted and prohibited investments, the asset mix as well as some maximum holding quantity restrictions are governed by a Board approved investment policy to mitigate risk. All of the investments are managed by professional investment managers.

## 4. FINANCIAL RISKS AND FAIR VALUE

### a) Establishing fair value

The carrying value of accounts receivable, grants, author payments and prizes payable and accounts payable and accrued liabilities approximates their fair values due to their short-term maturity.

The fair values of the investments are determined as follows:

- Canadian Equity, Global Equity, Fixed Income, and Money Market pooled fund investments are valued at the unit values supplied by the pooled fund managers, which represent the Council's proportionate share of the underlying net assets at fair values, determined using closing market prices.
- The segregated Canadian Equity investment is valued using closing market prices at the financial statement date.

The Council manages its portfolio to the following benchmarks as per the *Statement of Investment Policies and Goals* approved by the Board. The benchmarks allow asset class allocations to vary between a minimum and a maximum.

Asset Classes	Market Value	Minimum	Benchmark	Maximum
Canadian equities	11%	5%	12.5%	20%
Global equities	40%	35%	40%	45%
Fixed income	27%	15%	25%	35%
Alternatives	9%	0%	10%	15%
Real estate	3%	0%	5%	10%
Infrastructure	9%	0%	7.5%	10%
Money market/Cash	1%	0%	0%	10%

The amounts in the money market or cash asset classes are for future investments or to fund capital calls on commitments already approved and signed.

Investments in the equity pooled funds are comprised of units of six pooled funds, two Canadian funds and four funds that are invested in the global equity markets. The Council also has a Canadian equity segregated fund for the Endowment and Special Funds. The Canadian equities are measured against the returns of the Standard and Poor's Toronto Stock Exchange (S&P/TSX) Index. The global equities are measured against the returns of the Morgan Stanley Capital International (MSCI) All Country World Index. Investments in the fixed income pooled funds are comprised of a mix of bonds, mortgages, emerging debt and other fixed income instruments. The fixed income funds are measured against the returns of the FTSE Canada Universe Bond Index. Investments in the alternative pooled funds are comprised of units of one hedge fund with diversified positions across global asset classes. This investment is measured against the returns of the FTSE Canada 91-day T-bill plus 4%. The assets included in the real estate funds are commercial real estate properties in Canada, the United States and globally. These investments are measured against the returns of the Investment Property Databank. The infrastructure funds include six portfolios of diversified infrastructure investments. These investments are measured against the Consumer Price Index (CPI) plus 4.5%.

- The Alternatives is a pooled fund investment which is valued at the unit values supplied by the pooled fund manager. The fund manager manages multiple funds with different strategies within the fund and determines the unit's fair value predominantly using valuation models with unobservable inputs and for smaller portions using closing market prices when available.
- Real Estate and Infrastructure investment values are supplied by the fund managers using internally determined appraisals as at March 31 based on valuation models with unobservable inputs.

At March 31, the measurement categories of the Council's financial instruments, as well as their carrying amounts and fair values are as follows:

(in thousands of dollars)

		2020	2019
	Measurement categories	Carrying amount and fair value (\$)	Carrying amount and fair value (\$)
<b>Financial assets and liabilities</b>			
Cash	Fair value	21,624	31,235
Accounts receivable	Amortized cost	3,347	3,146
Portfolio Investments <sup>1</sup>	Fair value	391,200	411,066
Grants, author payments and prizes payable	Amortized cost	58,070	68,081
Accounts payable and accrued liabilities	Amortized cost	5,128	5,072

<sup>1</sup> The detailed fair value for the portfolio investments is listed in Note 3.

**Notes to the Financial Statements (continued)**  
**March 31, 2020**

**b) Fair value hierarchy**

The financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Statement of Financial Position, classified using the fair value hierarchy described above:

**Financial assets at fair value as at March 31**

(in thousands of dollars)	2020				2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	21,624	-	-	21,624	31,235	-	-	31,235
	21,624	-	-	21,624	31,235	-	-	31,235
<b>Portfolio Investments</b>								
<b>Canada Council Endowment and Special Funds</b>								
Pooled Funds								
Canadian Equity	-	6,896	-	6,896	-	8,027	-	8,027
Global Equity	-	131,213	-	131,213	-	138,221	-	138,221
Fixed Income	-	87,258	-	87,258	-	84,802	-	84,802
Alternatives	-	-	29,259	29,259	-	-	30,936	30,936
Canadian Equity	28,122	-	-	28,122	35,319	-	-	35,319
Real Estate	-	-	9,802	9,802	-	-	12,648	12,648
Infrastructure	-	-	29,958	29,958	-	-	25,276	25,276
Cash	1,583	-	-	1,583	3,870	-	-	3,870
<b>Killam Fund</b>								
Pooled Funds								
Canadian Equity	-	6,959	-	6,959	-	8,613	-	8,613
Global Equity	-	26,001	-	26,001	-	27,389	-	27,389
Fixed Income	-	17,715	-	17,715	-	17,282	-	17,282
Alternatives	-	-	7,507	7,507	-	-	7,937	7,937
Real Estate	-	-	2,530	2,530	-	-	3,386	3,386
Infrastructure	-	-	5,752	5,752	-	-	6,728	6,728
Cash	645	-	-	645	632	-	-	632
	30,350	276,042	84,808	391,200	39,821	284,334	86,911	411,066
<b>Total</b>	<b>51,974</b>	<b>276,042</b>	<b>84,808</b>	<b>412,824</b>	<b>71,056</b>	<b>284,334</b>	<b>86,911</b>	<b>442,301</b>

During the year, there were no significant transfers of amounts between Level 1 and 2.

## Notes to the Financial Statements (continued)

### March 31, 2020

The following table reconciles the changes in fair value of financial instruments classified as Level 3 during the year:

(in thousands of dollars)	2020				2019			
	Alternatives fund	Real estate funds	Infrastructure funds	Total	Alternatives fund	Real estate funds	Infrastructure funds	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Canada Council Endowment and Special Funds</b>								
Opening balance	30,936	12,648	25,276	68,860	30,271	12,343	20,980	63,594
Total gains (losses)								
recognized in re-measurement statement	(1,543)	(520)	(4,020)	(6,083)	612	454	3,012	4,078
recognized in externally restricted contributions	(134)	(45)	(350)	(529)	53	39	262	354
Purchases	-	-	13,046	13,046	-	177	1,512	1,689
Sales	-	(2,281)	(3,994)	(6,275)	-	(365)	(490)	(855)
Closing balance	29,259	9,802	29,958	69,019	30,936	12,648	25,276	68,860
<b>Killam Fund</b>								
Opening balance	7,937	3,386	6,728	18,051	7,767	3,298	5,564	16,629
Total gains (losses)								
recognized in externally restricted contributions	(430)	(173)	(1,453)	(2,056)	170	137	907	1,214
Purchases	-	-	1,526	1,526	-	44	379	423
Sales	-	(683)	(1,049)	(1,732)	-	(93)	(122)	(215)
Closing balance	7,507	2,530	5,752	15,789	7,937	3,386	6,728	18,051

#### Level 3 Sensitivity Analysis

In the course of measuring fair value of financial instruments classified as Level 3, valuation techniques used incorporate assumptions that are based on unobservable inputs. As the underlying assumptions used in these valuations are not available to the Council, a sensitivity of reasonably possible alternate assumptions for estimation of the fair value measurement of the Level 3 financial instruments is not possible.

#### c) Risk management

The Council is exposed to a variety of financial risks as a result of its activities. These risks include credit risk, liquidity risk and market risk (price risk, interest rate risk and currency risk).

In order to manage risk, the Council invests in a diversified portfolio that is managed by professional investment managers. The Council's investments are guided by a *Statement of Investment Policies and Goals* which is approved by the Board and reviewed on an annual basis. The Council is assisted in the oversight and management of its portfolio by an Investment Committee that includes independent experts with experience in both the investment field and the asset classes being invested in. In addition, the Council uses the services of an independent investment consultant to assist the Investment Committee in its work. As the investment markets continue to evolve, the Investment Committee recommends adjustments to the asset mix to reduce the overall risk of the portfolio to an acceptable level.

##### i. CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council.

At the Statement of Financial Position date, financial assets exposed to credit risk include portfolio investments and accounts receivable. The carrying amounts of these financial assets represent the maximum credit risk exposure at the Statement of Financial Position date.

Through its investments in units of equity, fixed income, and alternatives pooled funds, in a segregated Canadian equity fund and in limited partnership units of four real estate funds and six infrastructure funds, the Council is

indirectly exposed to the credit risk of the underlying investments of those funds. These risks are managed at the investment manager level. Their objectives are to invest in high quality financial instruments with creditworthy counterparties, by limiting the amount that can be invested in any one counterparty and by using other limits set out in the Council's investment policy.

The Council mitigates credit risk of accounts receivable through monitoring of the outstanding balances. As at March 31, 2020, there were no significant amounts past due and no impairment losses have been recognized.

##### ii. LIQUIDITY RISK

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due.

The Council receives most of its revenue by way of parliamentary appropriation from the Government of Canada. That revenue is temporarily invested in a preferred rate account in a financial institution until it is required.

Liquidity sources in the event of an immediate need to fulfill the timely payment guarantee include overdraft facilities and cash and short-term investments in marketable securities.

The objectives of the Council with respect to the management of liquidity is to ensure that the capital value of its short-term pooled funds is preserved, that the investments are sufficiently liquid and that investment income is distributed in cash when possible.

The liquidity available from either the preferred rate account in a financial institution or from the portfolio investments ensures that the Council is able to meet its obligations and commitments. The portfolio investments classified into Levels 1 and 2 of the fair value hierarchy can be redeemed within a maximum of three days. As well, the permitted and prohibited investments are governed by Board-approved short-term and long-term investment policies which ensure that the liquidity risk is minimized.

The Council has an investment policy that enables it to withdraw annual amounts from its investment portfolio valued up to 3.5% for the Endowment and Special Funds as well as for the Killam Fund (2019 - 3.5%) of the previous three-year average market value using balances at September 30.

## Notes to the Financial Statements (continued)

### March 31, 2020

The following table presents a maturity analysis based on historical data for the Council's financial liabilities as at March 31:

(in thousands of dollars)	Less than six months	Between six months to one year	Between one to two years	Over two years	2020 Total
	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>					
Grants, author payments and prizes payable	29,948	9,952	12,397	5,773	58,070
Accounts payable and accrued liabilities	4,415	291	422	-	5,128
	<b>34,363</b>	<b>10,243</b>	<b>12,819</b>	<b>5,773</b>	<b>63,198</b>

#### iii. MARKET RISKS

The Council's activities are primarily exposed to price risk, interest rate risk and currency risk.

The investment managers' directives are to manage the Council's market risks on a daily basis in accordance with the Council's policies. The Council's overall market positions are monitored on a quarterly basis by the Board and the Investment Committee.

#### Measurement of market risk

The following details the Council's portfolio investments sensitivity to a 6.6% increase or decrease in market prices. The sensitivity rate is used when reporting market risk internally to key management personnel and represents management's assessment of a reasonably possible change in value in an investment or portfolio of investments as a result of fluctuations in market prices.

The sensitivity rate is determined using the 4-year historical standard deviation for the total fund return as determined by the investment advisor.

At March 31, 2020, a fluctuation of market prices of 6.6% (2019 - 5.9%) with all other variables held constant, would result in a change in remeasurement gains and losses and deferred revenues - externally restricted contributions of \$25,672,000 (2019 - \$23,916,000) due to the increase or decrease in the fair value of the portfolio investments.

#### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Council is exposed to market price risk arising from its investments in units of equity and alternative pooled funds, in a segregated Canadian fund and in limited partnership units of four real estate funds and six infrastructure funds.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The interest rate exposure of the Council arises from its interest bearing assets. The Council's cash includes amounts on deposit with a financial institution that earns interest at market and preferred rates. The objective of the Council is to manage its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Council's results of operations.

The Council's investments in fixed income pooled funds and alternatives pooled fund are indirectly affected by movements in their fair value as a result of fluctuations in market interest rates. The impact of the fluctuation cannot be assessed since Council holds units of pooled funds and not the underlying assets.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Council is exposed to limited foreign exchange risk on revenues and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars and Euros.

At the Statement of Financial Position date, the non-Canadian dollar denominated portion of its investment portfolio represents \$33,189,000 (2019 - \$38,247,000). Compared with the total financial assets of the Council of \$416,171,000 (2019 - \$445,447,000), currency risk is not considered significant.

## 5. EMPLOYEE FUTURE BENEFITS

### a) Pension benefits

Substantially all of the employees of the Council are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Council. The President of the Treasury Board of Canada sets the required employer contribution rates based on a multiple of the employees' required contribution. The required employer contribution rate is dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.01 times (2019 - 1.01) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.00 times (2019 - 1.00) the employee's contribution.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are indexed to inflation.

(in thousands of dollars)	2020	2019
Employer's contributions	\$ 2,390	\$ 2,238
Employees' contributions	2,329	2,194

**Notes to the Financial Statements (continued)**  
**March 31, 2020**

**b) Severance benefits**

The Council provided severance benefits to its employees based on years of service and final salary. These benefits were not pre-funded and thus had no assets, resulting in a plan deficit equal to the accrued benefit obligation. These benefits no longer accrue as per the collective agreement. The employees were given the option to either cash out their severance benefits or to wait until their departure. The obligation was adjusted at year-end to reflect employees' actual salary level. The total obligation will be paid from future appropriations or other sources of revenue. Information about the plan benefits, measured as at March 31, is as follows:

(in thousands of dollars)	2020	2019
Accrued benefit obligation, beginning of year	\$ 256	\$ 319
Current service cost	7	9
Benefits paid during the year	(8)	(72)
<b>Accrued benefit obligation, end of year</b>	<b>\$ 255</b>	<b>\$ 256</b>

**c) Retirees benefits**

The Council has defined post-retirement benefit plans covering certain employee groups. These plans provide extended health and dental benefits to retired employees. Retirees pay 50% of the extended health care premium and 100% of the dental premium. In 2019-20, the Council obtained a full actuarial value as at March 31, 2020.

(in thousands of dollars)	2020	2019
Accrued net benefit obligation, beginning of year	\$ 5,541	\$ 5,081
Current service cost	263	242
Interest cost	104	110
Benefits paid	(106)	(102)
Actuarial loss (gain)	551	210
	<b>6,353</b>	<b>5,541</b>
Unamortized net actuarial losses	(2,268)	(1,930)
<b>Accrued net benefit obligation, end of year</b>	<b>\$ 4,085</b>	<b>\$ 3,611</b>

The net actuarial loss arising from the experience and the changes in assumptions is amortized over the expected average remaining service period of the employee group which is fourteen years.

The significant actuarial assumptions adopted in estimating the accrued benefit obligations and net benefit costs are as follows:

	2020	2019
Discount rate for calculation of net benefit costs	1.9%	2.2%
Discount rate for calculation of accrued benefit obligation	1.3%	1.9%
Initial Health care cost trend rate increase - Prescription drugs	5.8%	6.0%
Ultimate health care cost trend rate	4.0%	4.0%
Year ultimate rate reached	2040	2028

**6. DEFERRED REVENUES - EXTERNALLY RESTRICTED CONTRIBUTIONS**

The deferred revenues from externally restricted contributions consist of accumulated income, both realized and unrealized, which has been deferred until the resources have been used for the purpose or purposes specified by the endowment. The restricted endowment principal of \$37,569,000 is required to be maintained intact and is reported under accumulated surplus from operations (see Note 10).

(in thousands of dollars)	2020	2019
Balance, beginning of year	\$ 55,736	\$ 51,665
Transferred from investment income (Note 11)		
Net Investment income	6,908	3,363
Use of funds	(2,206)	(2,554)
	4,702	809
Unrealized gains (losses) on portfolio investments	(5,678)	3,076
Reclassified to statement of operations - portfolio investments	(4,507)	186
<b>Balance at end of year</b>	<b>\$ 50,253</b>	<b>\$ 55,736</b>

The unrealized gains and losses on portfolio investments are related to the change in fair value of those assets from the previous year.

**Notes to the Financial Statements (continued)**  
**March 31, 2020**

**7. TANGIBLE CAPITAL ASSETS**

(in thousands of dollars)	<b>Computer Software</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Leasehold improvements</b>	<b>Work in Progress</b>	<b>Total</b>
<b>Cost</b>						
Opening balance at April 1, 2019	\$ 3,965	\$ 4,951	\$ 1,465	\$ 7,722	\$ 600	\$ 18,703
Acquisitions	1,971	716	13	30	617	3,347
Transfer from Work in Progress	328	-	-	-	(328)	-
Disposals	(201)	(1)	-	-	-	(202)
<b>Closing balance at March 31, 2020</b>	<b>\$ 6,063</b>	<b>\$ 5,666</b>	<b>\$ 1,478</b>	<b>\$ 7,752</b>	<b>\$ 889</b>	<b>\$ 21,848</b>
<b>Accumulated Amortization</b>						
Opening balance at April 1, 2019	\$ 1,343	\$ 3,643	\$ 1,054	\$ 2,870	\$ -	\$ 8,910
Amortization expense	624	681	54	335	-	1,694
Disposals	(201)	(1)	-	-	-	(202)
<b>Closing balance at March 31, 2020</b>	<b>\$ 1,766</b>	<b>\$ 4,323</b>	<b>\$ 1,108</b>	<b>\$ 3,205</b>	<b>\$ -</b>	<b>\$ 10,402</b>
<b>Net carrying amount at March 31, 2019</b>	<b>\$ 2,622</b>	<b>\$ 1,308</b>	<b>\$ 411</b>	<b>\$ 4,852</b>	<b>\$ 600</b>	<b>\$ 9,793</b>
<b>Net carrying amount at March 31, 2020</b>	<b>\$ 4,297</b>	<b>\$ 1,343</b>	<b>\$ 370</b>	<b>\$ 4,547</b>	<b>\$ 889</b>	<b>\$ 11,446</b>

**8. ART BANK ASSETS**

(in thousands of dollars)	<b>2020</b>	<b>2019</b>
Opening balance	\$ 19,455	\$ 19,421
Acquisitions	10	41
Disposals/donations	-	(7)
<b>Closing Balance</b>	<b>\$ 19,465</b>	<b>\$ 19,455</b>

The Council's Art Bank has the largest collection of contemporary Canadian art in Canada. It includes 17,170 paintings, sculptures, drawings, photographs and prints by 3,168 artists. The Art Bank rents its assets to interested parties and as at March 31, 2020 has 4,011 (2019 - 3,900) works on rental to federal government departments and agencies, associations, hospitals, schools, municipalities and private corporations.

The Council uses an independent appraiser to determine the fair value of the Art Bank assets. A full independent valuation of the Art Bank assets was completed in 2001, with a significant update of the appraisals occurring in 2010. An individual piece of art may be separately independently appraised when management identifies significant events such as special recognition, type of artworks or artist passing which are known to trigger a change in valuation. The total appraised value of the Art Bank assets is estimated at \$71,678,000 as at March 31, 2020 (2019 - \$71,664,000).

The residual values of these assets are estimated to be greater than the cost of purchases or independent appraisals when donated plus associated cost of framing, mounting and shipping; therefore no amortization is recognized.

The Council insures the Art Bank assets based on its assessment of risk.

**9. MUSICAL INSTRUMENTS**

The Council created the Musical Instrument Bank in 1985, and it currently owns a fine cello bow and nine prestigious musical instruments. In addition, the Council manages fifteen instruments on loan, nine from anonymous donors and six from six other donors.

Agreements are signed with the individuals to whom the instruments are loaned. Those agreements include clauses that stipulate how the musical instruments are to be handled in order to safeguard them. The appraised value of the Council's Musical Instruments Bank as at March 31, 2020 is \$66,411,000 converted from a value of US\$46,658,000 using the March 31, 2020, US exchange rate of 1.42 (2019 - \$62,488,000, converted from a value of US\$46,633,000 using the March 31, 2019, US exchange rate of 1.34).

The Council insures the musical instruments at their appraised value, in US dollars.

**Notes to the Financial Statements (continued)**  
**March 31, 2020**

**10. ACCUMULATED SURPLUS**

(in thousands of dollars)	2020	2019
<b>Accumulated surplus from operations</b>		
<b>Endowment - original contribution</b>	\$ 50,000	\$ 50,000
<b>Endowment principal - Externally restricted contributions</b>	37,569	37,569
<b>Reserve for excess investment income</b>		
Balance at beginning of the year	190,445	186,445
Appropriated from the accumulated surplus during the year	13,000	4,000
Balance at end of the year	203,445	190,445
<b>Surplus</b>		
Balance at beginning of the year	26,376	29,675
Appropriated to the reserve for excess investment income during the year	(13,000)	(4,000)
Surplus for the year	19,078	701
Balance at end of the year	32,454	26,376
<b>Total accumulated surplus from operations</b>	<b>323,468</b>	<b>304,390</b>
<b>Accumulated remeasurement gains (losses)</b>		
Balance at beginning of the year	30,731	20,565
Change in fair value	(30,763)	10,166
Balance at end of the year	(32)	30,731
<b>Balance of accumulated surplus at end of year</b>	<b>\$ 323,436</b>	<b>\$ 335,121</b>

Included in accumulated surplus is the original contribution by the Government of Canada of \$50 million, which constituted a government transfer ("Endowment Fund") when the Council was established in 1957.

**11. NET REALIZED INVESTMENT INCOME**

(in thousands of dollars)	2020	2019
Gains (losses) from disposal of portfolio investments	\$ 11,526	\$ (1,369)
Income transferred to deferred revenues -		
Externally restricted contributions (Note 6)	(4,702)	(809)
Net gains on foreign exchange	533	41
Interest, dividend and other distributed income	17,791	16,670
Investment portfolio management costs	(1,455)	(1,011)
	<b>\$ 23,693</b>	<b>\$ 13,522</b>

**12. NET ART BANK RESULTS**

(in thousands of dollars)	2020	2019
Rental revenue	\$ (1,589)	\$ (1,542)
Other income	(265)	(240)
Administration expense	1,851	1,802
Amortization of other capital assets	4	12
	<b>\$ 1</b>	<b>\$ 32</b>

**13. CANADIAN COMMISSION FOR UNESCO**

(in thousands of dollars)	2020	2019
Program expenses	\$ 1,421	\$ 1,204
Program - contributions received	(530)	(103)
Administration expense	1,621	1,480
	<b>\$ 2,512</b>	<b>\$ 2,581</b>

Program expenses represent mainly the costs associated with the Commission's activities at national and international meetings related to education, science and culture. When applicable, these costs are offset by contributions received from other organizations partnering with the Commission on these activities. Administration expenses represent the direct costs of delivering the Commission's programs.

**14. NET CHANGES IN OTHER NON CASH ITEMS**

(in thousands of dollars)	2020	2019
Increase in accounts receivable	\$ (201)	\$ (66)
Decrease in grants, author payments and prizes payable	(10,011)	(1,466)
Increase in accounts payable and accrued liabilities	75	740
Decrease in deferred revenues	(439)	(685)
<b>Net change</b>	<b>\$ (10,576)</b>	<b>\$ (1,477)</b>

## Notes to the Financial Statements (continued)

### March 31, 2020

#### 15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

##### a) Grants, author payments and prizes

Grants, author payments and prizes extending into future years are subject to the provision of funds by Parliament. Future year commitments for those payments approved prior to March 31, 2020 amounted to \$252,357,000 (2019 – \$110,646,000). The future payments of grant commitments as of March 31, 2020 are as follows:

(in thousands of dollars)	
2021	\$ 105,652
2022	75,495
2023	71,210

##### b) Rent

The Council is party to long-term operating leases with respect to rental accommodation. Future year payments related to operating leases as of March 31, 2020 amounted to \$61,640,000 (2019 – \$66,039,000). The future payments of operating leases as of March 31, 2020 are as follows:

(in thousands of dollars)	
2021	\$ 4,319
2022	4,396
2023	4,478
2024	4,323
2025	4,225
2026-2034	39,899

##### c) Investment commitments

The Council has committed funds with real estate and infrastructure investment managers through limited partnership funds. As it takes time for those funds to be fully invested, the balance of committed capital not yet drawn at March 31, 2020 is \$10,791,000 (2019 – \$4,429,000). A portion of the outstanding balance of committed capital is currently invested in a preferred rate account in a financial institution.

##### d) Other commitments

The Council entered into various contracts during the year creating commitments of payments in future years. Future year payments related to these commitments as of March 31, 2020 amounted to \$8,667,000 (2019 – \$3,405,000). Future annual payments as of March 31, 2020, are as follows:

(in thousands of dollars)	Less than 1 year	Less than 5 years	Total
Tangible capital assets	\$ 3,131	\$ 853	\$ 3,984
General administration	1,818	1,074	2,892
Arts community services	1,125	227	1,352
Program Delivery	122	25	147
Canadian Commission for UNESCO	97	150	247
Net Art Bank results	45	-	45

#### 16. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. The pandemic has led to the closure of public spaces and the cancellation of events around the world, causing great stress on the arts sector. The Council continues to work with the Government of Canada, as well as provincial, territorial, and municipal partners, to ensure the strength of the sector.

The Council has maintained its level of program delivery while adjusting its priorities and operations due to events related to COVID-19. The main impacts for Council are identified below.

##### **Portfolio Investments**

Financial markets around the world have reacted to the current and potential economic impacts of COVID-19, as well as oil market prices. Global markets have seen decreases in values and are experiencing significant volatility. Consequently, the fair value of the Council's investment portfolio has decreased from the beginning of the fiscal year as disclosed in Note 3 of the financial statements.

As at the date of these financial statements, due to ongoing economic and market uncertainties, the Council is not able to readily estimate the fair value impact on its portfolio investments subsequent to March 31, 2020. The Council, through its Investment Committee, will continue to closely monitor the situation and assess the impact of the pandemic on the portfolio investments and their performance.

##### **Emergency support to organizations - COVID-19 Emergency Support Fund**

The Department of Canadian Heritage announced on May 8, 2020 up to \$500 million for temporary relief measures to support the culture, heritage and sport sectors as they manage the challenges and impacts of the COVID-19 pandemic and plan for the future. The Council received \$55 million on June 1, 2020 to establish a COVID-19 Emergency Support Fund in order to distribute emergency assistance to its core and project funded organizations.



**Notes to the Financial Statements (continued)**  
**March 31, 2020**

**17. RELATED PARTY TRANSACTIONS**

The Council is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. Other related parties of the Council are key management personnel, close family members of key management personnel and entities that are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members. The Council enters into transactions with related parties in the normal course of business on normal trade terms applicable to all individuals and enterprises, and these transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, the Council incurred expenses totaling \$3,519,000 (2019 - \$3,387,000) and recorded rental revenues for the Art Bank assets, contributions and other revenues totaling \$6,418,000 (2019 - \$1,100,000) with related parties.

During the year, the Council received audit services without charge from the Office of the Auditor General. The estimated cost for these services is \$335,000 (2019: \$276,000).

As at March 31, the Council recorded the following amounts on the Statement of Financial Position for transactions with related parties:

<i>(in thousands of dollars)</i>	<b>2020</b>	<b>2019</b>
Accounts receivable	\$ 902	\$ 796
Grants, author payments and prizes payable	663	508
Accounts payable and accrued liabilities	700	706
Deferred revenues	447	1,403
Tangible capital assets	122	-
Prepays	2	-

**18. COMPARATIVE FIGURES**

Certain 2019 figures have been reclassified to conform to the presentation adopted in 2020.

**Notes to the Financial Statements (continued)**  
**March 31, 2020**

**Schedule I - Grants, Author Payments and Prizes by Section**

(in thousands of dollars)

	2020	2019
<b>Arts Granting Programs</b>		
Explore and Create	\$ 77,422	\$ 67,965
Engage and Sustain	73,879	68,745
Supporting Artistic Practice	35,572	31,517
Arts Across Canada	24,344	22,461
Arts Abroad	16,309	16,026
Creating, Knowing and Sharing: The Arts and Cultures of First Nations, Inuit and Métis Peoples	14,317	13,184
Digital Strategy Fund	20,520	24,155
Strategic Investments	10,026	2,505
<b>Prizes</b>	1,028	981
<b>Public Lending Right</b>	14,784	12,288
<b>Killam Program</b>		
Killam Research Fellowships	840	840
Killam Prizes	500	500
<b>Other Prizes and Awards</b>		
Molson Prizes	100	100
Vida Peene Award	34	171
John G. Diefenbaker Award	-	95
Other prizes and awards < \$75,000	253	310
	<b>\$ 289,928</b>	<b>\$ 261,843</b>

**Notes to the Financial Statements (continued)**  
**March 31, 2020**

**Schedule II - Other Expenses**

(in thousands of dollars)

	2020			2019
	Transfer Program Delivery	General Administration	Total	Total
Salaries and employee benefits	\$ 16,621	\$ 11,223	\$ 27,844	\$ 26,936
Peers and advisory committees	4,563	-	4,563	2,945
Office accommodation	28	3,775	3,803	3,742
Professional and special services	533	2,511	3,044	2,311
Amortization	477	1,212	1,689	1,696
Information management	79	893	972	925
Staff travel	475	141	616	689
Prizes presentation	357	-	357	458
Printing, publications and duplicating	5	319	324	352
Communications	1	239	240	247
Office expenses and equipment	9	191	200	251
Meeting expenses including members' honoraria	33	130	163	203
Miscellaneous	-	25	25	32
	<b>\$ 23,181</b>	<b>\$ 20,659</b>	<b>\$ 43,840</b>	<b>\$ 40,787</b>

**Schedule III - Arts Community Services**

(in thousands of dollars)

	2020	2019
Partnership and networking	\$ 2,019	\$ 1,584
Research and consultation	1,125	893
Event costs	258	528
	<b>\$ 3,402</b>	<b>\$ 3,005</b>

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