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# ONTARIO ARTS COUNCIL ANNUAL REPORT

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## 2019-2020



ONTARIO ARTS COUNCIL  
CONSEIL DES ARTS DE L'ONTARIO

an Ontario government agency  
un organisme du gouvernement de l'Ontario

Ontario



In accordance with the provision of Section 12 of the *Arts Council Act*, I respectfully submit the report covering the activities of the Ontario Arts Council from April 1, 2019 to March 31, 2020.

A handwritten signature in black ink, reading "Rita Davies". The signature is fluid and cursive, with the first name "Rita" and last name "Davies" clearly distinguishable.

Rita Davies  
Chair  
Ontario Arts Council

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# ABOUT THE ONTARIO ARTS COUNCIL

For more than a half century, the Ontario Arts Council (OAC) has played a vital role in promoting and supporting the development of the arts for the enjoyment and benefit of all Ontarians. OAC has fostered the growth of Ontario's arts infrastructure by funding individual artists and arts organizations in all artistic disciplines and in all regions of the province.

OAC is an agency of the Government of Ontario's Ministry of Heritage, Sport, Tourism and Culture Industries and has a publicly appointed board of directors. The 12-member volunteer board ensures that OAC activities align with the organization's mandate. All grant decisions are made at arm's length from the government. The OAC's staff manage the programs, and grants are awarded through peer-review processes.

Granting programs are organized under four funding streams: Creating and Presenting, Building Audiences and Markets, Engaging Communities and Schools, and Developing Careers and Arts Services. These streams help applicants determine which program best fits their proposed activity.

OAC funds a variety of arts disciplines, including dance, literature, music, theatre, media arts and visual arts. In addition, OAC supports the touring, recording and presentation of arts activities as well as various collaborations between artists. Funding is also available for culturally-based art forms, such as Francophone arts and Indigenous arts.

Other programs focus on particular arts activities, including arts education, community-engaged arts as well as multi- and inter-arts. Some programs have specific goals, such as Northern Arts, which targets artists and arts groups in northern Ontario, and Skills and Career Development, which funds professional development opportunities for Indigenous arts professionals and for arts professionals of colour. The Deaf and Disability Arts programs provide funding support to Deaf\* artists, artists with disabilities and Deaf and disability arts organizations.

Individual artists and arts groups can apply to OAC for funding for specific projects, and arts organizations can also apply for ongoing operating support once they have met certain requirements. Grants are allocated by a peer-review system. Independent juries make funding decisions for individuals and arts groups who apply to project programs. Advisory panels review operating grant applications from arts organizations and put forth recommendations to OAC program officers. OAC's board of directors approves all funding decisions for operating grants of more than \$30,000.

Granting program information, deadlines, eligibility criteria and OAC policies can change over time. OAC's website has the most up-to-date information as well as a complete list of grant results.

In the past, OAC has been asked to take on the administration of specific funds and programs on behalf of the Government of Ontario, such as the Indigenous Culture Fund, which closed in 2019-20.

Finally, OAC administers the selection process for several awards, scholarships, prizes and grants, including the Chalmers program and a number of Ontario Arts Foundation awards. In addition to these privately funded programs, OAC funds and administers the Ontario Arts Council Indigenous Arts Award. OAC also oversees the administration of the Pauline McGibbon Award on behalf of the Government of Ontario.

\*The OAC identifies Deaf artists as distinct from artists with disabilities based on the Canadian Hearing Society's definition of *culturally Deaf*, a term that refers to individuals who identify with and participate in the language, culture and community of Deaf people.

## ABOUT THE ONTARIO ARTS COUNCIL

Guided by its strategic plan, *Vital Arts and Public Value: A Blueprint for 2014-2020*, OAC regularly measures the impact of its programs and consults with artists and arts organizations to stay in touch with the needs and growth of the arts.

OAC further supports Ontario's arts community through partnerships and by conducting research and statistical analyses of the arts and culture sectors. The information provided helps OAC build public awareness of the value of the arts and makes OAC a vital resource for understanding the environment in which the arts are created and produced in this province.

# CORE BUSINESS ACHIEVEMENTS

The Ontario Arts Council's core business is investing in Ontario's artists and arts organizations in strategic ways. In 2019-20, we achieved this primarily through **58 granting programs** as well as **four initiatives in granting**.

**Project grants** are awarded to individual artists, ad hoc groups/collectives and organizations. These grants fund specific activities, including the creation, production and sharing of artistic works with communities, such as festivals, music series and children's arts workshops.

OAC project grants fuel creativity, innovation, skills development and organizational effectiveness. Ontario's successful cultural industries would not have grown to where they are today without the talent pool, artistic products and creative content that are made possible by these grants.

**Operating grants** strengthen the organizations that are the backbone of Ontario's arts infrastructure. Organizations can apply for operating grants once they meet specific criteria, such as having a governance structure. Operating grants allow organizations to provide jobs, increase the stability of their communities and improve infrastructure. They also provide continuity and support for emerging organizations, often from under-represented communities.

**Third-party recommender grants** are administered on behalf of OAC by arts organizations across Ontario that receive OAC operating grants. These organizations apply their knowledge of a particular arts sector or community to assess applications and then make grant recommendations to OAC.

**Initiatives in granting** are *similar* to granting programs in that they're designed to meet strategic objectives and have specific eligibility criteria; recipients must fulfil certain requirements and report on their activities. They are *different* from granting programs in that they may not have the same application or assessment process; they may be administered by third parties who are contracted by OAC.

In 2019-20, OAC had the following initiatives in granting:

## **Artists in Residence (Education)**

This initiative supports system-wide arts projects managed by school boards. Activities involve professional Ontario artists and teachers working together to design, develop and deliver creative experiences for students. Artists in Residence (Education) supports projects that:

- increase collaboration between professional artists and teachers in the classroom;
- offer Ontario students the opportunity to learn creative and critical processes;
- increase access of under-resourced students and communities across Ontario to creative learning opportunities led by professional artists;
- increase engagement of Ontario artists in the education system; and
- align initiative priorities with school board priorities.

Ontario school boards partner with OAC over several school years to help implement school-board-wide arts projects. Funding gradually increases and then typically decreases over seven to ten years. This model allows OAC to maximize its funding by scaling support depending on the school board's capacity. Having partners at various stages also makes it easier for new partners to access the program and be mentored by school board administrators.

## CORE BUSINESS ACHIEVEMENTS

### *Connexions visuelles*

The main goal of this initiative is to reinforce the capacity of Ontario's four professional francophone visual arts organizations and, in the longer term, to have a structuring effect on the whole sector. This is achieved through the funding of:

- production/presentation projects;
- organizational development activities; and
- audience development and community engagement activities.

### **Market Development Initiatives**

Market Development Initiatives (MDI) invest in partnerships with stakeholders to advance regional, national and international market development opportunities for Ontario artists and arts organizations. MDI enable high-quality work from Ontario to be promoted, presented and sold effectively across the country and abroad.

Types of activities supported by MDI include:

- opportunities for recognized buyers from foreign jurisdictions to experience and increase their awareness of Ontario artists and arts organizations;
- travel and production support for market-ready Ontario artists and arts organizations that have been invited to participate in recognized national and international arts market events, including showcases and festivals;
- opportunities for Ontario delegations to help Ontario artists and arts organizations access recognized national and international arts market events, including showcases and festivals; and
- the development of capacity-building initiatives in the area of artist market readiness.

### **Strategic Collaborations Fund**

The goals of this initiative are to:

- invest in partnerships with stakeholders that advance OAC's strategic plan, *Vital Arts and Public Value*;
- support artistic activities that meet strategic priorities that cannot be funded in granting programs because of their scale, nature or timing; and
- fund significant one-time artistic events that help promote OAC and raise its profile.

## CORE BUSINESS ACHIEVEMENTS

### A Snapshot of Outreach Activities

For years, the Ontario Arts Council has undertaken outreach activities to enhance access to programs and services. Outreach not only supports artists and arts organizations, it also creates links between the arts and other sectors, most importantly education as well as tourism and community services.

OAC's Outreach and Development Officer and the Northwestern Representative organize grant application workshops and webinars for new applicants. All program officers are also involved in outreach through information sessions hosted by partner organizations or panel discussions as ways to build community connections.

Outreach activities can also include developing a relationship with a particular group if there is a gap in that community's arts infrastructure. This was the case in Thunder Bay, where following a series of meetings with OAC's Northwestern Representative, a collective of young Indigenous artists applied for and received an Artists in Communities and Schools Projects grant. The funding allowed the collective to develop and deliver a series of multidisciplinary workshops for people aged 15 to 25.

In the summer and early fall of 2019, OAC's Associate Visual Arts and Craft Officer partnered with Craft Ontario and the DesignTO festival to present an in-person outreach session in Toronto as well as a virtual presentation that was attended by over 100 people from across the province. This effort likely resulted in the almost 50 per cent increase in applications to the October deadline of the Craft Projects program.

In January 2020, OAC participated in an event hosted by the Toronto Region Immigrant Employment Council (TRIEC). OAC's Cross-Sectoral Associate Officer spoke about OAC's programs and assessment process to an audience of approximately 80 people. Following the presentation, potential applicants had opportunities to ask questions in one-on-one conversations.

In February 2020, OAC's Outreach Officer hosted a two-day workshop for Deaf **newcomer** artists in American Sign Language (ASL). Consultant Anita Small and Maryam Hafizirad, a Deaf artist, partnered with OAC for this event. Anita Small returned in March, this time with Joanne Cripps from the Deaf Culture Centre, for a second workshop hosted in ASL for Deaf artists. Both workshops focused on understanding and completing the grant application process.

OAC was invited to have an information booth as well as facilitate an information session on arts education funding by the Matawa Education Conference in Thunder Bay in March. OAC's Indigenous and Northern Arts Officer and the Northwestern Representative attended the conference with more than 500 teachers, education workers and community members from across Ontario's Far North, Northwest and Northeast regions.

These are just a few examples of the outreach activities OAC undertook in 2019-20. Staff constantly speak to and assist artists and arts organizations and help them navigate OAC's granting programs and processes.



## CORE BUSINESS ACHIEVEMENTS

### Granting Highlights

**\$51.9 million**

Total OAC grants

**1,965**

Number of OAC grants to individual artists

**3,117**

Total number of grants awarded by OAC

**\$8.4 million**

Total in OAC grants to individual artists

**10,587**

Total number of grant applications submitted to OAC

**\$3.57 per Ontarian<sup>1</sup>**

Total public support to the arts through OAC

**1,152**

Number of OAC grants to organizations

**197**

Total number of Ontario communities where resident artists and arts organizations received OAC grants

**\$43.5 million**

Total in OAC grants to organizations

**123**

Total number of Ontario's 124 ridings where artists and arts organizations received OAC grants

<sup>1</sup>Based on Ontario population of 14,566,547 as of July 2019 (Source: Statistics Canada, Table 17-10-0005-01)

# YEAR IN REVIEW

Funding to the Ontario Arts Council from the Ministry of Heritage, Sport, Tourism and Culture Industries (until October 2019 known as the Ministry of Tourism, Culture and Sport) was set at \$60 million in 2019-20. During this timeframe, the Ontario Arts Council invested \$51.9 million in 197 communities across Ontario through 1,965 grants to individual artists and 1,152 grants to organizations. This sums up a year of administering thousands of applications to operating and project grant programs that were reviewed by OAC's peer assessment panels.

In addition to granting activities, OAC manages a number of awards throughout the year. In 2019, OAC took on the administration and jurying process for the new biennial Johanna Metcalf Performing Arts Prizes on behalf of the Metcalf Foundation. Complete information about all of the awards can be found on OAC's website along with a full list of current and past recipients.

The most notable staff change for the year was signalled early in 2019 by OAC Director & CEO Peter Caldwell's decision to step down in December after eight years in the role. In April 2019, OAC's board of directors initiated a national search for a new CEO. The process culminated with the selection of Carolyn Vesely, former Director of Granting, with a January 2020 start date in her new role as CEO.

This fiscal year included the reduction of six staff positions and concluded with the initial impacts of COVID-19. There was every indication that the pandemic would continue to affect the arts community across the province into the next fiscal year.

## 2019-20 milestones for OAC:

- Dance Projects program (deadline April 2, 2019)
- Arts Organizations in Communities and Schools: Operating program (deadline April 4, 2019)
- *Arts visuels, arts médiatiques et métiers d'art : organismes et centres d'artistes autogérés francophones – fonctionnement* program (deadline April 4, 2019)
- *Diffusion francophone – fonctionnement* program (deadline April 4, 2019)
- Major Organizations: Operating program (deadline April 4, 2019)
- Multi and Inter-Arts Organizations: Operating program (deadline April 4, 2019)
- *Théâtre francophone – fonctionnement* program (deadline April 4, 2019)
- Media Artists Creation Projects program (deadline April 10, 2019)
- *Diffusion – projets francophones* program (deadline April 16, 2019)
- Music Creation Projects program (deadline April 24, 2019)
- Visual Artists Creation Projects program (deadline April 25, 2019)
- **OAC begins search for next CEO (April 2019)**
- Northern Arts Projects program (deadline May 2, 2019)
- **Shortlist for the 2019 Ruth and Sylvia Schwartz Children's Book Awards is announced (May 7, 2019)**
- Music Recording Projects program (deadline May 16, 2019)
- **Scenic artist Ksenia Ivanova receives the 2019 Pauline McGibbon Award (May 28, 2019)**
- Public Art Galleries: Operating program (deadline June 4, 2019)
- **Colleen Nelson, Wab Kinew and Joe Morse announced as winners of the 2019 Ruth and Sylvia Schwartz Children's Book Awards (June 14, 2019)**

## YEAR IN REVIEW

- Chalmers Arts Fellowships program (deadline June 19, 2019)
- Publishing Organizations: Operating program (deadline June 19, 2019, for magazine publishers)
- Visual Arts Projects program (deadline June 19, 2019)
- **The Honourable Lisa MacLeod, MPP Nepean, appointed Minister of Tourism, Culture and Sport (June 20, 2019)**
- Touring Projects program (deadline June 27, 2019)
- Artists in Communities and Schools Projects program (deadline July 30, 2019)
- Theatre Projects program (deadline August 1, 2019)
- Indigenous Artists in Communities and Schools Projects program (deadline August 29, 2019)
- **A policy change is made to artistic examples uploaded by applicants to Nova, OAC's online granting system. All original files will be maintained in Nova until they are no longer required for OAC's application processing. (August 2019)**
- Music Creation Projects program (deadline September 12, 2019)
- Media Arts Projects program (deadline September 17, 2019)
- Indigenous Arts Projects program (deadline September 19, 2019)
- Ontario Arts Presenters Projects program (deadline September 19, 2019)
- **Suzanne Jarvie receives 2019 Colleen Peterson Songwriting Award (September 24, 2019)**
- *Diffusion – projets francophones* program (deadline September 26, 2019)
- *Services aux arts – projets francophones* program (deadline September 26, 2019)
- *Arts médiatiques – projets francophones* program (deadline September 27, 2019)
- **Carolyn Vesely is announced as new CEO (September 2019)**
- **Pat Bradley, Theatre, Major Organizations and Compass Officer, and Myles Warren, Dance and Awards Officer, announce they will be stepping down from their positions in December. (September 2019)**
- Media Artists Creation Projects program (deadline October 1, 2019)
- Dance Training Projects: Equity and Access program (deadline October 2, 2019)
- Music Production and Presentation Projects program (deadline October 2, 2019)
- *Musique – projets francophones* program (deadline October 3, 2019)
- *Théâtre – projets francophones* program (deadline October 3, 2019)
- *Arts visuels et métiers d'art – projets francophones* program (deadline October 4, 2019)
- *Littérature – projets francophones* program (deadline October 4, 2019)
- Dance Projects program (deadline October 8, 2019)
- **Arnold Jacobs announced as recipient of the 2019 Ontario Arts Council Indigenous Arts Award; Montana Adams chosen as emerging laureate by the award recipient (October 8, 2019)**
- Curatorial Projects: Indigenous and Culturally Diverse program (deadline October 10, 2019)
- Deaf and Disability Arts: Materials for Visual Artists program (deadline October 10, 2019)
- Deaf and Disability Arts Projects program (deadline October 16, 2019)
- Multi and Inter-Arts Projects program (deadline October 16, 2019)
- Touring Projects program (deadline October 16, 2019)
- Craft Projects program (deadline October 17, 2019)
- Music Organizations: Operating program for festivals only (deadline October 17, 2019)
- **Ministry of Tourism, Culture and Sport becomes the Ministry of Heritage, Sport, Tourism and Culture Industries (October 21, 2019)**
- Arts Service Projects program (deadline October 22, 2019)
- Literary Creation Projects: Works for Publication program (deadline October 24, 2019)
- Literary Creation Projects: Works for Performance program (deadline October 31, 2019)

## YEAR IN REVIEW

- Theatre Organizations: Operating program for summer theatres only (deadline November 5, 2019)
- **National Youth Orchestra of Canada announced as recipient of the 2019 Vida Peene Orchestra Award (November 6, 2019)**
- Visual Artists Creation Projects program (deadline November 7, 2019)
- Music Recording Projects program (deadline November 14, 2019)
- Northern Arts Projects program (deadline November 20, 2019)
- Artists in Communities and Schools Projects program (deadline November 28, 2019)
- Visual Arts Projects program (deadline November 28, 2019)
- **Clelia Farrugia moves from Francophone Arts Officer to become Theatre Officer (November 2019)**
- **Soraya Peerbaye is announced as Dance Officer (November 2019)**
- **OAC launches The Ripple Effect, a series of short videos that demonstrate how arts add value to communities across Ontario. The first video released features North Bay's Near North Mobile Media Lab. (January 28, 2020)**
- **A policy change is made regarding applicant eligibility and final reports. Individual applicants who are members of an ad hoc group/collective and have taken responsibility for a past grant to that group are prevented from applying for a new grant if the final report for the ad hoc group/collective grant is overdue or unresolved. The inverse also applies to ad hoc groups/collectives in which a member or members responsible for a grant submit a new application as an individual. (January 2020)**
- **OAC announces two new appointments to the leadership team; Kelly Langgard is announced as OAC's Director of Granting, and Chris Black is announced as the new Associate Director of Granting for business operations. (January 2020)**
- Theatre Projects program (deadline February 4, 2020)
- Publishing Organizations: Operating program (deadline February 12, 2020, for book publishers only)
- **OAC releases the second video in The Ripple Effect series, placing the spotlight on Millbrook's 4th Line Theatre (February 12, 2020)**
- Dance Organizations: Operating program (deadline February 13, 2020)
- **Russell Braun announced as recipient of the 2019 Oskar Morawetz Award for Excellence in Music Performance (February 14, 2020)**
- Ontario Arts Presenters Projects program (deadline February 19, 2020)
- *Édition francophone – fonctionnement* program (deadline February 20, 2020)
- *Organismes francophones de service aux arts – fonctionnement* program (deadline February 20, 2020)
- **OAC releases the third video in The Ripple Effect series, about Toronto's Workman Arts (February 26, 2020)**
- **Geneviève Trilling is appointed Francophone Arts Officer (February 2020)**
- Arts Service Organizations: Operating program (deadline March 3, 2020)
- Media Arts Organizations: Operating program (deadline March 3, 2020)
- Multi and Inter-Arts Organizations program (deadline March 3, 2020)
- Visual Arts Artist-Run Centres and Organizations: Operating program (deadline March 3, 2020)
- Music Organizations: Operating program (deadline March 5, 2020)
- Touring Projects program (deadline March 5, 2020)
- **OAC releases the fourth video in The Ripple Effect series, about Toronto's The Remix Project (March 11, 2020)**
- Theatre Organizations: Operating program (deadline March 12, 2020)
- **In response to the COVID-19 pandemic, OAC office space closes and staff members begin working from home (March 18, 2020)**
- **In response to the COVID-19 pandemic, OAC gives a two-week extension to the remaining March 2020 deadlines for 2020-21 project programs (Multi and Inter-Arts Projects, Literary Organizations Projects, Music Production and Presentation Projects), which support activities in the next fiscal year (March 20, 2020)**

## YEAR IN REVIEW

- OAC announces that grant payments will continue to flow for awarded projects as planned, and greater flexibility will be given for projects where events and plans have been altered due to the COVID-19 pandemic but expenses have already been incurred (March 23, 2020)
- OAC pauses further video releases as part of The Ripple Effect series as the arts community begins to deal with the impacts of COVID-19 (March 25, 2020)
- Literary Organizations: Operating program (deadline March 26, 2020)
- OAC suspends all deadlines and assessments for operating grant programs while prioritizing payments to operating grant recipients in response to the COVID-19 pandemic (March 27, 2020)
- OAC announces it will undertake a mini-survey of OAC-funded organizations across all sectors to get a sense of high-level impact figures in an attempt to track the effects of COVID-19 (March 30, 2020)

# OUTCOME-BASED PERFORMANCE MEASURES

The Ontario Arts Council has been tracking corporate-level outcomes-based performance measures for more than 10 years. The first set of performance measures tracked outcomes from 2006-07 through 2014-15. In 2016, OAC launched a process to develop new outcomes-based performance measures in the context of the current strategic plan, *Vital Arts and Public Value*. A key purpose of these performance measures is to articulate and then track the public value that OAC provides to the people of Ontario.

OAC's performance measures framework is based on a logic model that clearly links OAC's key activities to positive societal outcomes – from short-term and mid-term outcomes through to long-term outcomes or impacts. The outcomes and long-term impacts that are identified in OAC's logic model directly align with OAC's strategic plan and mandate – *to foster the creation and production of art for the benefit of all Ontarians* – as well as with overall government priorities.

Based on best practices in the field, performance measures focus on measures that are attributable to organizational activities. As such, measures are typically outputs (of activities) that relate to *short-term outcomes* – those outcomes that arise most directly from the organization's activities. For the short-term outcomes in its logic model, OAC identified a number of related performance measures. The measures for each outcome were selected based on what information would be most helpful in guiding decisions and understanding how OAC is achieving its goals.

The framework includes both programmatic and operational performance measures. OAC recently expanded on the operational impact measures in its performance measures framework, identifying additional measures, indicators and targets relating to service standards in the following areas: administrative efficiency, stakeholder satisfaction and the complaints process. OAC plans to develop tracking mechanisms for these operational service measures in the coming year.

The key short-term outcomes and selected measures include:

Short-Term Outcomes	Creation, production, and presentation of vital art in Ontario.	Increased skills and capacity in the arts sector.	More public participation in and appreciation of the arts.	Continuous improvement in fostering a vital and sustainable arts sector.
	Funding of artists and arts organizations in all parts of the province.	Funding of grants and services that increase skills and capacity.	Opportunities for Ontarians to experience and participate in the arts.	Administrative efficiency in assessment process.
	Employment and income for arts professionals in Ontario.		Opportunities for people outside Ontario to experience Ontario artists and arts organizations.	Stakeholder satisfaction.

## OUTCOME-BASED PERFORMANCE MEASURES

A small number of relevant indicators have been identified for each of the above measures. By using a variety of indicators to describe OAC's performance, it is possible to track specific values (# and \$) as well as relative performance (%). OAC established baselines and targets for each indicator in order to track performance over the implementation time frame of the strategic plan.

The following five pages present the report on key short-term outcomes, performance measures and related indicators – including associated targets and results by year. This is an abridged version of a more detailed document, *OAC's Performance Measures Framework*, which includes the logic model and the complete set of performance measures and indicators.

# PERFORMANCE MEASURES: OUTCOMES, MEASURES AND INDICATORS

## Outcome A: Creation, production, and presentation of vital art in Ontario

Measure	Indicator	Target	Baseline 2013-14 <sup>1</sup>	Results 2014-15	Results 2015-16	Results 2016-17	Results 2017-18	Results 2018-19
<b>Funding of artists and arts organizations in all parts of the province</b>	% of Ontario counties/districts where resident artist or arts organization received OAC funding	<b>100%</b>	100%	100%	100%	100%	100%	<b>100%</b>

Measure	Indicators	Target (> baseline over 5 years)	Baseline 2013-14	Results 2014-15	Results 2015-16	Results 2016-17 <sup>2</sup>
<b>Employment and income for arts professionals in Ontario</b>	# artists & arts professionals paid (fees or salaries) through OAC-funded activities	<b>&gt; 56,255</b>	56,255	57,001	56,634	<b>62,073</b>
	\$ value of income paid to artists/ arts professionals through OAC-funded activities	<b>&gt; \$345.9 million</b>	\$345.9 million	\$356.5 million	\$361.9 million	<b>\$382.6 million</b>

<sup>1</sup> The 2013-2014 baseline was chosen because it is the year before OAC's current strategic plan was launched.

<sup>2</sup> Here, and elsewhere in this document, these are actual figures for 2016-17 as submitted with the 2018-19 OAC operating applications/CADAC, or with the 2016-17 project grants' final reports, and represent the most currently available data.



**PERFORMANCE MEASURES:  
OUTCOMES, MEASURES AND INDICATORS**

**Outcome B: Increased skills and capacity in the arts sector**

Measure	Indicators	Target (> base- line over 5 years)	Baseline 2013-14	Results 2014-15	Results 2015-16	Results 2016-17	Results 2017-18	Results 2018-19	\$ Value 2018-19
<b>Funding of grants and services that increase skills and capacity</b>	# artists & arts professionals who attend activities/ events for training, skill development supported or provided by OAC	> 123,725	123,725	128,628	128,444	<b>135,261</b>			---
	# activities/events for training and skill development supported or provided by OAC	> 4,888	4,888	4,964	4,786	<b>4,951</b>			---
	% of total # grants allocated by OAC for training and skill development	> 8%	8%	8%	8%	9%	9%	<b>8%</b>	<b>\$6.2 million</b>

**PERFORMANCE MEASURES:  
OUTCOMES, MEASURES AND INDICATORS**

**Outcome C: More public participation in and appreciation of the arts**

Measure	Indicators	Target (> baseline over 5 years)	Baseline 2013-14	Results 2014-15	Results 2015-16	Results 2016-17
<b>Opportunities for Ontarians to experience and participate in the arts</b>	# public activities and events produced by OAC-funded artists & organizations in their home communities	> 36,507	36,507	37,037	38,912	<b>40,841</b>
	# total audience for home community events in Ontario	> 17.6 million	17.6 million	17.1 million	19.2 million	<b>19.6 million</b>
	# public activities and events produced by OAC-funded artists & organizations touring in Ontario	> 4,063	4,063	4,762	4,464	<b>4,889</b>
	# total audience for touring events in Ontario	> 1.2 million	1.2 million	1.3 million	993,799	<b>1.2 million</b>

Measure	Indicators	Target (> baseline over 5 years)	Baseline 2013-14	Results 2014-15	Results 2015-16	Results 2016-17
<b>Opportunities for people outside Ontario to experience Ontario artists and arts organizations</b>	# public activities and events produced by OAC-funded artists & organizations and toured nationally (outside Ontario) and internationally	> 4,872	4,872	3,727	3,842	<b>4,354</b>
	# total audience for events toured nationally (outside Ontario) and internationally	> 1.6 million	1.6 million	1.4 million	1.5 million	<b>1.6 million</b>

**PERFORMANCE MEASURES:  
OUTCOMES, MEASURES AND INDICATORS**

**Outcome D: Continuous improvement in fostering a vital and sustainable arts sector**

Measure	Indicator	Target	Baseline 2019-20
<b>Administrative efficiency in assessment process</b>	% of applications meeting the service commitment to a 4-month turnaround from program deadline to decision	85%	n/a

Measure	Indicators	Target Over 3 years	Baseline 2019-20
<b>Stakeholder satisfaction with OAC processes and decisions</b>	% applicants who report satisfaction with OAC grant process	85%	n/a
	% of complaints responded to within three business days	90%	n/a

## RISK EVENTS

It was during this fiscal year that the Covid-19 outbreak was declared a pandemic by the World Health Organization and had significant financial, market and social impacts. Artists and arts organizations funded by the OAC first began to experience the negative effects caused by the pandemic in the early months of 2020. All signs point to the next fiscal year bearing harmful financial implications caused by the pandemic and it is likely that the negative impacts on the arts sector will have long-term effects.

Because the pandemic happened late in the fiscal year, it did not affect any 2019-20 granting programs. The poor market conditions caused by the pandemic during the last quarter of the fiscal year influenced the investment portfolio OAC held and lowered the market value of OAC's investments. OAC worked with the investment managers to closely monitor and adjust the investment portfolio, where necessary, to manage the associated risks.

# ANALYSIS OF FINANCIAL PERFORMANCE

## Overview

The Ontario Arts Council (OAC) receives most of its revenues from the Government of Ontario in the form of general grants, as well as special grants for specific programs. In addition, OAC realizes investment income primarily from restricted and endowment funds in pooled investments, and bank balances. In the fiscal year 2019-20, which ended on March 31, 2020, total revenues were \$62.5 million, a decrease of 14.6% from the previous year.

OAC's expenditures are primarily through investment in Ontario's professional, not-for-profit arts sector in the form of operating grants to arts organizations, and project grants and awards to individual artists, ad hoc groups and collectives, and organizations. OAC also incurs service expenses related to programs and services it provides to the arts sector. Administration expenses are primarily employee salaries and benefits. Other notable administrative expenses include office rent, amortization of capital assets, and information services and technology costs. In 2019-20, total expenditures were \$62.2 million, a decrease of 15.2% from the previous year.

## Revenue

Total revenue for the year was \$62.5 million. The general grant from the Government of Ontario was \$59.9 million, which represented a \$5 million decrease from 2018-19. Total special grants were \$0.5 million, lower than the 2018-19 amount by \$4.1 million, reflecting the termination of two specific programs, the Indigenous Culture Fund and the Creative Engagement Fund. Investment income was \$1.8 million, a decrease from the prior year by \$1.6 million, primarily because of higher investment income in 2018-19, including the higher realization of investment gains from funds redeemed to support granting programs, as well as poor market conditions in 2019-20.

## Expenditures

Total expenditures were \$62.2 million, down from \$73.4 million in the prior year, driven by fewer grants and lower grant totals. General grants to artists and arts organizations were \$51.6 million, a 9.8% decrease compared to \$57.2 million in the previous year. This decrease reflected the lower revenue in the year as the general grants represented 82.5% of the total revenue in 2019-20, compared to 78.1% in 2018-19. Special grants in the year changed to \$0.3 million from \$3.9 million in 2018-19 as a result of the termination of the Indigenous Culture Fund and Creative Engagement Fund programs. Administration expenses dropped by 11.1%, or \$1 million, to \$7.7 million. Cost control measures implemented in the year reduced costs in almost all operating areas. Expenses related to services also decreased to \$1.4 million from the \$2.1 million in the previous year. Together, administration and services expenses accounted for 14.6% of the total expenditures in the year, slightly lower than the 14.7% in the previous year.

# OAC FINANCIAL STATEMENTS

# Province of Ontario Council for the Arts

## Management's Responsibility for Financial Information

The accompanying financial statements of the Province of Ontario Council for the Arts (the OAC) are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards.

Management maintains a system of internal controls designed to provide reasonable assurance that financial information is accurate and that assets are protected.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control. The Finance and Audit Committee and the Board of Directors meet regularly to oversee the financial activities of the OAC, and annually to review the audited financial statements and the external auditor's report thereon.

The financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility is to express an opinion on the financial statements. The Auditor's Report that appears as part of the financial statements outlines the scope of the Auditor's examination and opinion.

On behalf of management:



Carolyn Vesely  
CEO



Jerry Zhang  
Director of Finance and Administration

July 17, 2020



## INDEPENDENT AUDITOR'S REPORT

To the Province of Ontario Council for the Arts and  
to the Minister of Heritage, Sport, Tourism and Culture Industries

### Opinion

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

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

### Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these 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 Ontario Arts 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 the Ontario Arts Council either intends to cease operations, or has no realistic alternative but to do so.

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



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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Ontario Arts 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 Ontario Arts Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Ontario Arts 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for our audit opinion.

I 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 I identify during my audit.



Toronto, Ontario  
July 17, 2020

Susan Klein, CPA, CA, LPA  
Assistant Auditor General

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

## Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020		2019	
	Operating fund	Restricted and endowment funds	Total	Total
<b>Assets</b>				
Current assets:				
Cash	\$ 1,543,245	\$ 2,710,097	\$ 4,253,342	\$ 6,679,617
Accounts receivable	12,870	–	12,870	73,224
Prepaid expenses	61,348	–	61,348	31,503
	1,617,463	2,710,097	4,327,560	6,784,344
Investments (notes 2(b) and 9)	871,624	23,445,907	24,317,531	26,527,510
Capital assets (note 3)	994,631	–	994,631	1,340,192
	\$ 3,483,718	\$ 26,156,004	\$ 29,639,722	\$ 34,652,046

## Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ 279,867	\$ –	\$ 279,867	\$ 1,283,337
Deferred contributions (note 4)	280,598	–	280,598	586,461
Current portion of deferred lease inducement	165,322	–	165,322	165,322
Employee future benefits (note 2(b))	345,704	–	345,704	404,666
	1,071,491	–	1,071,491	2,439,786
Deferred lease inducement	785,279	–	785,279	950,601
	1,856,770	–	1,856,770	3,390,387
Fund balances:				
Invested in capital assets	44,030	–	44,030	224,269
Restricted for endowment purposes (note 5)	–	70,311	70,311	70,311
Externally restricted funds (Schedule 2)	–	17,871,548	17,871,548	17,317,273
Internally restricted funds (note 6)	–	6,212,151	6,212,151	6,683,994
Unrestricted	1,531,275	–	1,531,275	1,126,818
Accumulated remeasurement gains (Schedule 2)	51,643	2,001,994	2,053,637	5,838,994
	1,626,948	26,156,004	27,782,952	31,261,659
	\$ 3,483,718	\$ 26,156,004	\$ 29,639,722	\$ 34,652,046

Commitments (note 11)

Economic dependence (note 12)

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2020, with comparative information for 2019

	Operating fund		Restricted and endowment funds		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenue:</b>						
General grant - Province of Ontario	\$ 59,937,400	\$ 64,937,400	\$ —	\$ —	\$ 59,937,400	\$ 64,937,400
Special grants:						
Creative Engagement Fund	4,672	628,854	—	—	4,672	628,854
Canada/Ontario						
French Language Projects	116,783	159,000	—	—	116,783	159,000
Other	—	11,092	—	—	—	11,092
Indigenous Culture Fund	337,894	3,809,420	—	—	337,894	3,809,420
Investment income (note 9)	516,720	558,374	1,243,922	2,832,007	1,760,642	3,390,381
Fund administration fee (note 7(a))	68,134	72,478	—	—	68,134	72,478
Recovery of prior years' grants	50,579	122,616	—	—	50,579	122,616
Miscellaneous	260,167	68,177	—	—	260,167	68,177
Contributions	—	—	8,254	41,782	8,254	41,782
	61,292,349	70,367,411	1,252,176	2,873,789	62,544,525	73,241,200
<b>Expenses:</b>						
Awards and expenses	—	—	1,211,388	1,502,604	1,211,388	1,502,604
Grants	51,186,513	57,205,430	424,000	—	51,610,513	57,205,430
Special grants	328,100	3,937,764	—	—	328,100	3,937,764
Administration (Schedule 1)	7,711,890	8,672,873	—	—	7,711,890	8,672,873
Services (Schedule 1)	1,320,984	2,094,870	55,000	—	1,375,984	2,094,870
	60,547,487	71,910,937	1,690,388	1,502,604	62,237,875	73,413,541
Excess of revenue over expenses (expenses over revenue)	744,862	(1,543,526)	(438,212)	1,371,185	306,650	(172,341)
Fund balances, beginning of year	1,497,921	2,336,719	29,763,738	30,142,034	31,261,659	32,478,753
Interfund transfers (note 6 and Schedule 2)	(520,644)	731,001	520,644	(731,001)	—	—
Net remeasurement change for the year	(95,191)	(26,273)	(3,690,166)	(1,018,480)	(3,785,357)	(1,044,753)
Fund balances, end of year	\$ 1,626,948	\$ 1,497,921	\$ 26,156,004	\$ 29,763,738	\$ 27,782,952	\$ 31,261,659

See accompanying notes to financial statements.

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

## Statement of Remeasurement Gains and Losses

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Accumulated remeasurement gains, beginning of year	\$ 5,838,994	\$ 6,883,747
Unrealized (losses) gains attributed to:		
Portfolio investments	(3,646,966)	502,797
Amounts reclassified to the statement of operations:		
Portfolio investments	(138,391)	(1,547,550)
Net remeasurement change for the year	(3,785,357)	(1,044,753)
Accumulated remeasurement gains, end of year	\$ 2,053,637	\$ 5,838,994

See accompanying notes to financial statements.



# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses (expenses over revenue)	\$ 306,650	\$ (172,341)
Items not involving cash:		
Gain on income distributions	(1,118,813)	(1,370,698)
Gain on sale of investments	(138,391)	(1,547,550)
Amortization of capital assets	379,770	507,243
Change in deferred lease inducement	(165,322)	(165,322)
Change in non-cash operating working capital:		
Accounts receivable	60,354	(31,773)
Prepaid expenses	(29,845)	91,881
Accounts payable and accrued liabilities	(1,003,470)	758,838
Deferred contributions	(305,863)	(1,111,608)
Employee future benefits	(58,962)	31,273
	(2,073,892)	(3,010,057)
Capital activities:		
Purchase of capital assets	(34,209)	(50,731)
Investing activities:		
Purchase of new investments	(2,000,000)	—
Proceeds from sale of investments	1,681,826	3,686,213
	(318,174)	3,686,213
(Decrease) increase in cash	(2,426,275)	625,425
Cash, beginning of year	6,679,617	6,054,192
Cash, end of year	\$ 4,253,342	\$ 6,679,617

See accompanying notes to financial statements.

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements

Year ended March 31, 2020

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The Province of Ontario Council for the Arts (operating as Ontario Arts Council) (the "OAC") was established in 1963 by the Government of Ontario to promote the development and enjoyment of the arts across the province. The OAC plays a leadership role in fostering excellence in the arts and making the arts accessible to all Ontarians. The OAC is a registered charity and is exempt from tax under the Income Tax Act (Canada).

## 1. Significant accounting policies:

### (a) Basis of presentation:

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards, which constitutes generally accepted accounting principles for government not-for-profit organizations in Canada. The OAC has elected to use the standards for government not-for-profit organizations that include the 4200 series of the Public Sector Accounting Standards.

The OAC follows the restricted fund method of accounting for contributions.

The OAC has elected not to consolidate controlled entities (note 8).

### (b) Fund accounting:

Resources are classified for accounting and reporting purposes into funds that are held in accordance with their specified purposes.

The operating fund reports the publicly funded activities of the OAC funded mainly through a general grant from the Province of Ontario. Funding from the Province of Ontario for restricted programs is accounted for as deferred contributions and recognized when the related expenses are incurred.

The restricted and endowment funds are internally restricted by the OAC or by the terms specified by the donors in their trust agreements.

Grants approved to be paid in the future upon specific requirements being met are not included in the statement of operations and changes in fund balances (note 11(b)).

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (c) Investment income:

Investment income comprises income on pooled investments and bank balances.

Investment income related to the operating fund is recognized based on the actual number of units held in the pooled investment and recognized as income of the operating fund.

Investment income on the pooled investments related to the restricted and endowment funds is recognized as income of the restricted funds.

### (d) Employee benefits:

(i) The OAC follows Public Sector Accounting Standards for accounting for employee future benefits, which include post-employment benefits payable upon termination. Under these standards, the cost of the post-employment benefits paid upon termination is charged to operations annually as earned.

(ii) The OAC accrues for vacation pay, sick leave liabilities and other earned benefits for amounts that accrue but have not vested.

### (e) Lease inducements:

Lease inducements include a leasehold improvement allowance and free rents received by the OAC. The total amount of the lease inducements is amortized on a straight-line basis over the lease term.

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 1. Significant accounting policies (continued):

### (f) Capital assets:

Capital assets are recorded at cost (purchase price). All capital assets are amortized on a straight-line basis over the assets' estimated useful lives as follows:

Audiovisual equipment	5 years
Computer hardware and software	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Office renovations	5 years
Leasehold improvements	Lease term

When a capital asset no longer contributes to OAC's ability to provide services, its carrying value is written down to its residual value.

### (g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations and changes in fund balances.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and changes in fund balances and any unrealized gain or loss is adjusted through the statement of remeasurement gains and losses.



# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

---

## 1. Significant accounting policies (continued):

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations and changes in fund balances.

The standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - observable or corroborated inputs, other than Level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The OAC invests in pooled funds that hold investments categorized as Level 1 and Level 2. The OAC categorizes these pooled funds as Level 2.

### (h) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the statement of operations and changes in fund balances and the unrealized balances are reversed from the statement of remeasurement gains and losses.

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### i) Related party transactions:

Related party transactions are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

### j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditures during the year. Significant estimates include valuation of investments, carrying value of capital assets and provisions for certain employee future benefits liabilities. Actual results could differ from those estimates.

## 2. Employee future benefits:

### (a) Pension benefits:

The OAC's full-time employees participate in the Public Service Pension Fund ("PSPF"), which is a defined benefit pension plan for employees of the Province of Ontario and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF, determines the OAC's annual payments to the PSPF. Since the OAC is not a sponsor of the PSPF, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of the OAC, as the sponsor is responsible for ensuring that the PSPF is financially viable. The annual payments to the PSPF of \$482,154 (2019 - \$445,678) are included in salaries and benefits in Schedule 1.

### (b) Non-pension benefits:

The cost of post-retirement non-pension employee benefits is paid by the Province of Ontario and is not included in the statement of operations and changes in fund balances.

The amount of unused vacation pay, sick leave liabilities and other earned benefits accrued at year-end was \$345,704 (2019 - \$404,666).

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 2. Employee future benefits (continued):

The OAC has set aside funds to meet these liabilities and other obligations and invested these funds in the same pooled investments as the restricted and endowment funds. As at March 31, 2020, this investment has a market value of \$871,624 (2019 - \$960,225) and is shown under the operating fund as investments.

## 3. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Audiovisual equipment	\$ 144,186	\$ 124,787	\$ 19,399	\$ 46,456
Computer hardware and software	986,472	940,008	46,464	132,021
Furniture and fixtures	334,149	282,773	51,376	112,355
Office equipment	73,287	64,902	8,385	21,832
Office renovations	54,555	34,301	20,254	31,165
Leasehold improvements	1,476,093	627,340	848,753	996,363
	\$ 3,068,742	\$ 2,074,111	\$ 994,631	\$ 1,340,192

## 4. Deferred contributions:

	2020	2019
Balance, beginning of year	\$ 586,461	\$ 1,698,069
Add amount received during the year	—	3,406,092
Less amount recognized during the year	(305,863)	(4,517,700)
Balance, end of year	\$ 280,598	\$ 586,461

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 5. Fund balances restricted for endowment purposes:

	2020	2019
The Oskar Morawetz Memorial Fund	\$ 26,000	\$ 26,000
The Canadian Music Centre John Adaskin Memorial Fund	17,998	17,998
Dr. Heinz Unger Scholarship Fund	17,235	17,235
The Leslie Bell Scholarship Fund	9,078	9,078
	<u>\$ 70,311</u>	<u>\$ 70,311</u>

## 6. Internally restricted fund balances:

	Fund balances beginning of year	Transfer from (to) Operating Fund	Investment income (loss)	Awards and expenses paid	Fund balances, end of year
Venture fund	\$ 2,487,541	\$ 500,000	\$ (212,191)	\$ (507,411)	\$ 2,267,939
Board-designated reserve fund	1,828,000	(711,000)	—	—	1,117,000
Capital fund	2,000,000	500,000	(265,322)	(563)	2,234,115
Granting programs fund	368,453	224,644	—	—	593,097
	<u>\$ 6,683,994</u>	<u>\$ 513,644</u>	<u>\$ (477,513)</u>	<u>\$ (507,974)</u>	<u>\$ 6,212,151</u>

## 7. Related party transactions:

- (a) Included in Schedule 2, awards and expenses paid, are administration fees charged by the OAC for providing day-to-day administrative support and services to the restricted and endowment funds held by the OAC. As permitted in the respective agreements, the OAC has levied an administration fee, either on a fixed or percentage basis, on the funds held or on the annual investment income earned by the funds held by the OAC.

	2020	2019
Fund administration fee	\$ 68,134	\$ 72,478



# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 7. Related party transactions (continued):

- (b) The Ontario Arts Foundation (the "Foundation") is controlled by the OAC's Board of Directors, as described in note 8. During the year, the OAC charged a fee for the administration of the Foundation's awards program which amounted to \$10,342 (2019 – \$10,629).

In 2019, the OAC charged the Foundation \$2,543 for rent and \$10,395 for general and administrative costs. These services were no longer provided in 2020.

## 8. Ontario Arts Foundation:

The Foundation was incorporated under the Corporations Act (Ontario) on October 15, 1991 and is a registered charity under the Income Tax Act (Canada). The Foundation was established:

- (a) to receive and maintain a fund or funds to apply all or part of the principal and income therefrom to charitable organizations, which are also registered charities under the Income Tax Act (Canada);
- (b) to provide scholarships for study or research in the arts in Ontario or elsewhere; and
- (c) to make awards to persons for outstanding accomplishments in the arts in Ontario or elsewhere.

As defined by Canadian accounting standards for government not-for-profit organizations, the OAC controls the Foundation in that the OAC's Board of Directors controls the election of the Foundation's Board of Directors.

The Foundation's financial statements have not been consolidated in the OAC's financial statements. There are no restrictions on the resources of the Foundation, nor are there significant differences from the accounting policies used by the OAC.

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 8. Ontario Arts Foundation (continued):

The majority of the fund balances, \$48,205,262 of the total of \$71,981,456 (2019 - \$47,590,367 of the total of \$82,551,074), represents the balances of the individual arts endowment funds held by the Foundation under the Arts Endowment Fund program of the Government of Ontario for a number of arts organizations. Under this program, money contributed and matched is held in perpetuity. The Board of Directors of the Foundation determines the amount of income that may be paid annually.

Audited financial statements of the Foundation are available upon request. Financial summaries of the Foundation, reported in accordance with Canadian public sector accounting standards for government not-for-profit organizations, are as follows:

### (a) Financial position:

	2020	2019
<b>Assets</b>		
Cash and investments	\$ 72,169,762	\$ 82,782,796
<b>Liabilities and Fund Balances</b>		
Accounts payable and accrued liabilities	\$ 188,306	\$ 231,722
Fund balances	71,981,456	82,551,074
	<b>\$ 72,169,762</b>	<b>\$ 82,782,796</b>

### (b) Changes in fund balances:

	2020	2019
Fund balances, beginning of year	\$ 82,551,074	\$ 80,063,923
Contributions received	3,333,084	2,310,614
Investment gain	7,149,689	4,986,526
Fund administration fee	428,272	412,126
Awards and expenses	(6,094,883)	(6,232,003)
Net remeasurement gains	(15,385,780)	1,009,888
Fund balances, end of year	<b>\$ 71,981,456</b>	<b>\$ 82,551,074</b>

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 8. Ontario Arts Foundation (continued):

(c) Cash flows:

	2020	2019
Cash flows used in operating activities	\$ (2,311,651)	\$ (2,433,523)
Cash flows from investing activities	10,584,394	2,996,431
	<u>\$ 8,272,743</u>	<u>\$ 562,908</u>

## 9. Investments and investment income:

Net investment income comprises the following:

	2020	2019
Income distributions	\$ 1,118,813	\$ 1,370,698
Realized gains	138,391	1,547,550
Bank interest	503,438	472,133
	<u>\$ 1,760,642</u>	<u>\$ 3,390,381</u>

The asset mix of the investments is as follows:

	2020	2019
Foreign equities, predominantly U.S.	37%	38%
Fixed income securities	27%	26%
Canadian equities	18%	23%
Alternative investments	13%	12%
Cash and cash equivalents	5%	1%

The OAC currently holds \$6,500,408 (cost - \$6,298,383) (2019 - \$6,987,153 (cost - \$5,379,004)) in fixed income securities that are exposed to interest rate price risk. The interest rates range from 1.45% to 8.29% (2019 - 0.75% to 9.98%) and mature between June 2020 and September 2077 (2019 – between June 2019 and September 2077).

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 10. Public sector salary disclosures:

Section 3(5) of the Public Sector Salary Disclosure Act (1996) requires disclosure of Ontario public sector employees who were paid an annual salary in excess of \$100,000 in the calendar year 2019. For the OAC, this disclosure is shown below:

Surname	Given Name	Position Title	Salary	Taxable benefits
BRADLEY	PATRICIA	Theatre, Major Organizations and Compass Officer	\$103,949	\$134
CALDWELL	PETER	Director and Chief Executive Officer	233,018	319
GUNTER	KIRSTEN	Director of Communications	129,653	176
HASLAM	MARK	Media Arts Officer	102,045	138
JUNAID	BUSHRA	Outreach and Development Manager, Access and Career Development Program Officer	107,909	147
CHA	JAMES	Manager of Operations	109,620	148
NAQVI	SYED	Manager of Information Systems and Technology	126,462	170
PARSONS	DAVID	Classical Music Officer	103,296	140
SMALL	NINA	Director of Human Resources	128,729	174
TOWNSHEND	KATHRYN	Director of Research, Policy and Evaluation	129,406	176
VESELY	CAROLYN	Director of Granting	149,968	203
WARREN	MYLES	Dance and Awards Officer	103,379	134
ZHANG	JERRY	Director of Finance and Administration	146,647	199

## 11. Commitments:

### (a) Lease commitments:

The OAC leases office premises and office equipment under operating leases. The future annual lease payments, including utilities and operating costs, are summarized as follows:

2021	\$ 758,702
2022	783,556
2023	791,562
2024	799,729
2025	808,059
Thereafter	610,799
	<u>\$ 4,552,407</u>



# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 11. Commitments (continued):

### (b) Grant commitments:

The OAC has approved grants of \$593,097 (2019 - \$368,453), which will be paid in future years once the conditions of the grants have been met. These amounts are not reflected in the statement of operations and changes in fund balances. These amounts are included in the internally restricted fund balance, as described in note 6.

In addition, under the terms and conditions of the Indigenous Culture Fund, the OAC has approved grants of \$157,998 (2019 - \$507,938), which will be paid in the future years once the conditions of the grants have been met.

## 12. Economic dependence:

The OAC is dependent on the Province of Ontario for the provision of funds to provide awards and grants and to cover the cost of operations.

## 13. Financial instruments:

### (a) Interest rate and foreign currency risks:

The OAC is exposed to interest rate and foreign currency risks arising from the possibility that changes in interest rates and foreign exchange rates will affect the value of fixed income and foreign currency-denominated investments.

### (b) Market risk:

Market risk arises as a result of trading equities and fixed income securities. Fluctuations in the market expose the OAC to a risk of loss. The OAC uses two professional investment managers to advise on investment risks, asset selection and mix to achieve an appropriate balance between risks and returns. The Finance and Audit Committee of the Board of Directors of the OAC monitors investment decisions and results and meets regularly with the managers.

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## **13. Financial instruments (continued):**

(c) Liquidity risk:

Liquidity risk is the risk that the OAC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The OAC manages its liquidity risk by monitoring its operating requirements. The OAC prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There has been no change to the above risk exposures from 2019.

## **14. Comparative Information**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

## Schedule 1 - Administration Expenses and Services

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Administration expenses:		
Salaries and benefits (notes 2(a) and 10)	\$ 5,920,368	\$ 6,597,362
Office rent and hydro	567,927	559,736
Amortization of capital assets	379,770	507,243
Information services	237,154	278,943
Consulting and legal fees	118,326	75,298
Communications	110,286	178,614
Miscellaneous	95,012	92,729
Personnel hiring and training	73,775	51,334
Maintenance and equipment rental	59,347	70,740
Telephone, postage and delivery	49,626	52,361
Travel	45,161	115,394
Meetings	40,958	70,985
Office supplies, printing and stationery	14,180	22,134
	7,711,890	8,672,873
Services:		
Other programs	720,084	1,037,612
Jurors and advisors	525,197	738,649
Canada/Ontario French language projects	130,703	318,609
	1,375,984	2,094,870
	\$ 9,087,874	\$ 10,767,743

# PROVINCE OF ONTARIO COUNCIL FOR THE ARTS

(OPERATING AS ONTARIO ARTS COUNCIL)

## Schedule 2 - Externally Restricted and Endowment Funds

Year ended March 31, 2020, with comparative information for 2019

	Balance of Endowment Fund (note 5)	Fund balances, beginning of year	Contributions received	Transfer from operating fund	Investment loss	Awards and expenses paid	Fund balances, end of year*
2020							
The Chalmers Family Fund	\$ —	\$ 22,100,685	\$ —	\$ —	\$ (1,885,216)	\$ (1,111,239)	\$ 19,104,230
The Oskar Morawetz Memorial Fund	26,000	308,160	—	—	(28,504)	(23,114)	256,542
Dr. Heinz Unger Scholarship Fund	17,235	94,534	—	—	(9,534)	(1,042)	83,958
The Leslie Bell Scholarship Fund	9,078	182,134	—	7,000	(16,311)	(1,764)	171,059
The Vida Peene Fund	—	203,156	8,254	—	(17,329)	(43,665)	150,416
The John Hirsch Memorial Fund	—	68,439	—	—	(5,838)	(638)	61,963
The Canadian Music Centre							
John Adaskin Memorial Fund	17,998	28,117	—	—	(3,934)	(429)	23,754
Colleen Peterson Songwriting Fund	—	16,364	—	—	(1,396)	(452)	14,516
The Ruth Schwartz Fund	—	7,844	—	—	(669)	(71)	7,104
	\$ 70,311	\$ 23,009,433	\$ 8,254	\$ 7,000	\$ (1,968,731)	\$ (1,182,414)	\$ 19,873,542
2019							
	(note 5)						
The Chalmers Family Fund	\$ —	\$ 22,078,125	\$ —	\$ —	\$ 1,459,526	\$ (1,436,966)	\$ 22,100,685
The Oskar Morawetz Memorial Fund	26,000	290,432	—	—	20,918	(3,190)	308,160
Dr. Heinz Unger Scholarship Fund	17,235	88,605	—	—	6,996	(1,067)	94,534
The Leslie Bell Scholarship Fund	9,078	174,814	—	7,000	12,157	(11,837)	182,134
The Vida Peene Fund	—	152,813	41,782	—	10,102	(1,541)	203,156
The John Hirsch Memorial Fund	—	64,807	—	—	4,284	(652)	68,439
The Canadian Music Centre							
John Adaskin Memorial Fund	17,998	25,671	—	—	2,887	(441)	28,117
Colleen Peterson Songwriting Fund	—	16,631	—	—	1,099	(1,366)	16,364
The Ruth Schwartz Fund	—	7,429	—	—	491	(76)	7,844
	\$ 70,311	\$ 22,899,327	\$ 41,782	\$ 7,000	\$ 1,518,460	\$ (1,457,136)	\$ 23,009,433

\*Fund balances end of year include unrealized gain of \$2,001,994 (2019 - \$5,692,160) as presented in the statement of financial position.

# BOARD MEMBERS

The Ontario Arts Council is directed by a volunteer board of directors, which is responsible for setting OAC's policies and overseeing the organization's operation. Board members also play an important role as advocates for the arts in Ontario and as representatives of OAC in communities across the province.

Each board member is appointed by the Government of Ontario for a three-year term and may be reappointed for additional terms.

**Rita Davies, Toronto**

Chair

Appointed Chair July 2015

Term ends July 2021

**Judith Gelber, Toronto**

Vice-Chair

Appointed to the Board February 2013

Appointed Vice-Chair March 2015

Term ends March 2021

**Marie-Élisabeth Brunet, Ottawa**

Appointed to the Board April 2013

Term ended April 2019

**Eliza Chandler, Toronto**

Appointed to the Board August 2017

Term ends August 2020

**Alexandra De Gasperis, Toronto**

Appointed to the Board July 2019

Term ends July 2022

**Karim Karsan, Toronto**

Appointed to the Board August 2016

Term ended August 2019

**Susan Lahey, Mount Albert**

Appointed to the Board April 2019

Term ends April 2022

**Mary Meffe, Toronto**

Appointed to the Board October 2019

Term ends October 2022

**Kyan Nademi, Toronto**

Appointed to the Board June 2019

Term ends June 2022

**Dani Peters, Toronto**

Appointed to the Board May 2019

Term ends May 2022

**Jill Reitman, Toronto**

Appointed to the Board August 2016

Term ended August 2019

**Mary Alice Smith, Longbow Lake (Kenora)**

Appointed to the Board April 2016

Term ended April 2019

**Janet E. Stewart, London**

Appointed to the Board September 2014

Term ends September 2020

**David Tsubouchi, Baltimore**

Appointed to the Board December 2018

Term ends December 2021

# EXECUTIVE STAFF

**Peter Caldwell**

Director & CEO (until December 2019)

**Carolyn Vesely**

Director of Granting (until December 2019)  
CEO (from January 2020)

**Kirsten Gunter**

Director of Communications

**Kelly Langgard**

Director of Granting (from March 2020)

**Nina Small**

Director of Human Resources

**Kathryn Townshend**

Director of Research, Policy and Evaluation

**Jerry Zhang**

Director of Finance and Administration

**Elise Chalmers**

Associate Director of Granting (from April 2019)  
Interim Director of Granting (January to February 2020)

**Jessica Deljouravesh**

Interim Associate Director of Granting (until June 2019)

**Chris Black**

Associate Director of Granting (from December 2019)

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