



# 2014 Annual Report & Financial Statements





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## KEY STATISTICS

### YEAR ENDED NOVEMBER 30

	2014	2013	2012	2011
<b>Financial Performance (\$'s)</b>				
Revenue	\$12,624,830	\$12,203,209	11,983,292	11,846,335
Operating Surplus (Deficiency)	\$299,751	\$158,508	(329,495)	(976,340)
Investment Income	\$858,730	\$672,754	192,841	74,439
Net Assets	\$7,314,233	\$6,155,752	5,324,490	5,461,144
<b>Membership</b>				
CHRE (SHRP)	171	152	148	135
CHRL (CHRP)	9,302	9,110	9,223	8,984
CHRP (CHRP Candidate)	3,308	3,225		
Practitioner <sup>2</sup>	3,234	2,859	4,407	4,165
General	1,991	2,443	2,244	1,974
Part-time Student <sup>3</sup>			468	686
Full-time Student			3,121	3,249
Student	2,720	2,489		
HR IEP	12	28	85	79
Allied Professional	136	90	69	85
Total	20,874	20,403	19,617	19,441
Year-over-year growth	2.3%	4.0%	0.9%	2.4%
On-time Renewal Rate	82%	86%	87%	88%
Retention Rate	91%	90%	90%	90%
Satisfaction Index [Scale 1 (low) to 6 (high)]	4.6%	4.4	4.4	4.1

<sup>1</sup> Prior to 2013, SHRP members were recorded in other member categories

<sup>2</sup> Prior to 2013, CHRP Candidates, practitioners who had passed the NKE, were recorded in the Practitioner member category

<sup>3</sup> As of 2013, part-time students are now recorded in the Practitioner member category

<sup>4</sup> As of 2013, full-time students are now recorded in the Student member category

### Professional Development

Annual Conference Attendance	2,526 (2014)	2,426 (2013)	2,555 (2012)	2,513 (2011)
Other Professional Development Attendance	7,396 (2014)	3,464 (2013)	2,876 (2012)	3,911 (2011)



Phil Wilson, CHRE  
HRPA Board Chair

## MESSAGE FROM THE CHAIR

What is the value of a HR designation such as the Certified Human Resources Professional (CHRP), Certified Human Resources Leader (CHRL) and Certified Human Resources Executive (CHRE)? Do we value it because it represents the mastery of a body of knowledge? Or because it shows we belong to an exclusive club of HR professionals?

Ultimately, the real worth for any designation flows from the value it has for the public or the consumers of the professional service on offer—something HRP’s VP Regulatory Affairs Claude Balthazard calls the “reflexive value proposition.”

In an article he wrote last year entitled *A reflexive value proposition*, Claude said if we want to increase the value of HRP’s designations, we need to increase the value it has for consumers of HR professional services.

In 2014, HRP boldly did just that with the introduction of an updated HR certification framework and three new designations (Certified HR Professional, Certified HR Leader and Certified HR Executive) that certify an ability to apply an updated body of HR knowledge at three levels of HR practice: entry, professional and executive.

**“... we need to demonstrate to HR consumers the great value human resources provides to organizations and the necessity of certified professionals to deliver it.”**

Combined with the *Registered Human Resources Professionals Act*, 2013, which acknowledges HR as a Tier 1 profession requiring protections for the public, these two changes to the HR profession have clear value propositions for business and organizations—the primary users of HR services. In terms of HR knowledge and competence, consumers can now expect:

- Up-to-date knowledge of HR, business and employment law;
- Enabling competencies: skills and capabilities like critical thinking, project management, and analytics; and
- Rigorous validation of that knowledge and the ability to apply it.

The new framework certifies what business leaders and executives now demand of HR professionals. For instance, Human Resources professionals are expected to be true business problem solvers as opposed to administrators. HR professionals are expected to bring true professional expertise and insight to the management table. HR professionals are expected to demonstrate strong analytical abilities in addition to relationship management abilities.

And in terms of professionalism, HRP-member HR professionals are accountable for maintaining their knowledge and skills at a high level and demonstrating the utmost in professionalism. These are not empty promises or claims, but legally binding covenants as set out in HRP’s new regulatory act. Failure to do so can result in sanction or removal from the HRP register—just as in other regulated professions.

It is early days for the HR profession as a profession and it’s up to all of us to build on HRP’s foundation. If a reflexive value proposition is the greatest determinant of a profession’s (and its designations’) worth, then—as professionals and CHRPs/CHRLs/CHREs—we need to demonstrate to HR consumers the great value human resources provides to organizations and the necessity of certified professionals to deliver it.



*Bill Greenhalgh*  
CEO, HRPA

## MESSAGE FROM THE CEO

In 2010, when the HRPA board laid out the Association's strategic plan for the next four years, two of its primary goals were to enrich the member experience (by enhancing capability and credibility of designations) and protect the public (by establishing HRPA as a credible regulator).

With the passage of the *Registered Human Resources Professionals Act, 2013* (in late 2013) and the 2014 introduction of our new [HR certification framework and three new designations](#) we have successfully completed these two strategic goals—and, in the process, established HRPA as Tier 1 regulator of the HR profession.

The Act and the updated certification framework act together to bring about this fundamental shift in HRPA's role.

Firstly, the *Registered Human Resources Professionals Act, 2013* gives formal authority for HRPA to regulate the profession in the public interest.

Secondly, with this recognition comes the need to solidify the professionalization of the HR profession, and our new certification framework and designation model lays the foundation for this to happen.

The new model is a competency based framework that not only specifies an updated body of HR knowledge reflecting the needs of today's HR professionals and organizations but the ability to apply that knowledge—similar to other top tier professions including law or engineering.

And similar to other top tier professions, the new model also incorporates a job-ready program for CHRPs, and a supervised work experience requirement for CHRLs to manage the transition from academic knowledge to

professional competencies. Finally, all CHRLs must write a case-based performance exam, where everything learned in school, in the professional program, and in supervised experience, comes together.

HRPA members played a key role in creating this new framework over 2014. We received overwhelming response from members to participate in focus groups that helped us completely [update](#) the existing HR Body of Knowledge (which hadn't been effectively updated since 1996). The new framework has been thoroughly modernized for HR practice in a business environment that has changed considerably over the past 20 years, and includes 213 HR functional competencies and 15 enabling competencies (things like business acumen and negotiation) across three levels of HR practice.

***“HRPA members played a key role in creating this new framework over 2014.”***

The framework is the first of its kind anywhere in the world and is a game changer for the HR profession. Indeed, some day we may see other HR regulators around the world adopting this framework—and with mutual international recognition comes even greater acceptance of HR as a profession.



## MESSAGE FROM THE CEO (CONTINUED)

### EXPANDING HRP A INFLUENCE

The third pillar in our strategic plan is to expand the Association's influence by creating a credible voice that contributes to public policy in our members' interest and to develop government relations to ensure that voice is heard.

Over the past couple of years, HRP A has been working with partners like the Great West Life Centre for Mental Health in the Workplace to help organizations build and promote psychologically safe workplaces.

In 2014 we created web resources and professional development to educate HR professionals and employers around effectively managing mental health issues in the workplace.

And we continued working with government towards the goal of building an accessible Ontario by 2025. In support of Ontario's AODA workplace initiatives, this year we rolled out a comprehensive accessibility certificate program for HR professionals in four cities across Ontario, and produced a free webinar series around accessibility standards for customer service, employment and information and communications.

### HRP A THOUGHT LEADERSHIP

Over 2014, HRP A continued its HR research activities, including membership surveys and joint projects with partner organizations.

These included research on unpaid internships; employee engagement as an HR metric; workplace compassionate care leave policies, as well as a whitepaper on the need for apprenticeship reform in Ontario.

### LOOKING FORWARD

After several years building the foundation to support the HR profession, our new strategic direction has to be inspirational: Ensuring everyone—HR professionals, government, business and the public—understands that HR is a genuine profession with unique skills and capabilities that bring value to organizations through people strategies.

The last year (and, really, the last four years) have been very successful for HRP A and its 20,000+ members. Between our committed staff, engaged volunteers, sound financial position—plus a new Act and updated certification framework that paves the way for the professionalization of Human Resources—we are both advancing our members' careers and building a great future for the HR profession.

## HRPA'S STRATEGIC PLAN





## ENRICHING THE MEMBER'S EXPERIENCE

In 2014, HRPAs introduced new professional development and resources to advance members' careers, including a multi-city PD tour that saw some of the Association's most popular in-class programs (AODA, Labour Relations, Workplace Investigations, HR Law Update, and Succession Planning) presented at locations across Ontario: Windsor, London, Guelph, Ottawa, and Thunder Bay.



### CAREGIVER-FRIENDLY WORKPLACES

#### EXPERT PANEL DISCUSSIONS AND WORKSHOP

**Learn how supporting employees balancing work and elder care is good for business!**

An aging population means ever greater numbers of older workers balancing work and caregiving responsibilities for family and friends with chronic disease, disability or frailty—with financial and stability impacts for both employers and caregivers.

Join HRPAs and Employment and Social Development Canada for an afternoon of facilitated panel discussions (live or online) and group work focusing on issues faced by older workers balancing work and caregiving, as well as best practices around building caregiver-friendly workplaces.

**Learn from a panel of international and Canadian employers and other experts:**

- How increasing numbers of employee/caregivers will re-shape your workplace
- How supporting employee/caregivers is good for business
- Innovative workplace strategies and policies to employee/caregivers
- How to apply caregiver-friendly workplace models to your own organization

**WHERE:** HRPAs 2015 Annual Conference & Trade Show, Metro Toronto Convention Centre, South Building - 222 Bremner Blvd. Toronto, ON, M5V 3L9  
**Or via webcast**

**WHEN:** January 20, 2015 2 – 5 pm

**FREE** for Conference Registrants  
 \$75 For Non-Registrants  
 \$25 For Webcast Only - (English & French)

Learn more and register: [HRPA.ca/caregiverfriendly](http://HRPA.ca/caregiverfriendly)




### OVER 2014, HRPAs ALSO:

- Launched [PD Passport](#), a continuing professional development deal that saves members 30 per cent on a full year's worth of training and education.
- Created [Caregiver-Friendly Workplaces Resources](#): With more older workers balancing work and caregiving responsibilities for family with illness, chronic conditions and/or disability, HRPAs created a series of articles and a video with best practices to accommodate these workers.
- Introduced [PD On-Site](#), customized HRPAs PD programming / group training seminars and workshops delivered at the consumer's training facility, office or location of choice.
- Launched the CHRO Dinner Series hosted by Les Dakens author of "The Real Deal on People: Straight Talk on How the CHRO Creates Business Value."
- Developed first certificate program in Canada in Positive Psychology





## 2014 ANNUAL CONFERENCE & TRADE SHOW

Under the theme of HR Excelerated, HRP's 2014 Annual Conference & Trade Show was another great success—especially with its truly inspirational closing keynote speaker Colonel Chris Hadfield and his talk on leadership.

The conference was especially strong in its keynote line-up. Besides former astronaut Chris Hadfield, some of the highlights included Fortune magazine senior editor Geoff Colvin discussing his book *Talent Is Overrated: What Really Separates World-Class Performers from Everybody Else*; Bausch + Lomb chair Fred Hassan drawing on his experience as CEO of three global corporations to explain his “secret sauce” of aligning people around a common dream, and getting them

to put their own passion into the execution; and Rose Patten, Special Advisor to the President and CEO of BMO Financial Group, who drew on her history as head of HR at BMO to discuss how leaders are groomed and developed for a challenging future.

CHREs who attended the conference received VIP-treatment with an exclusive session on The role of Big Data in revolutionizing HR analytics with Big Data evangelist and Collabogence president Peter Smit. And as part of the Annual Conferences' inaugural Keynote Network, CHREs got exclusive access to keynote speakers (Rose Patten, Rasmus Ankersen and Fred Hassan) for open conversation and idea exchange.

The conference also introduced a daily video recap featuring interviews with speakers and delegates:

<https://www.youtube.com/playlist?list=PLJT1xeB7MyGB9huPLWbOBQbvWhDg29PLE>

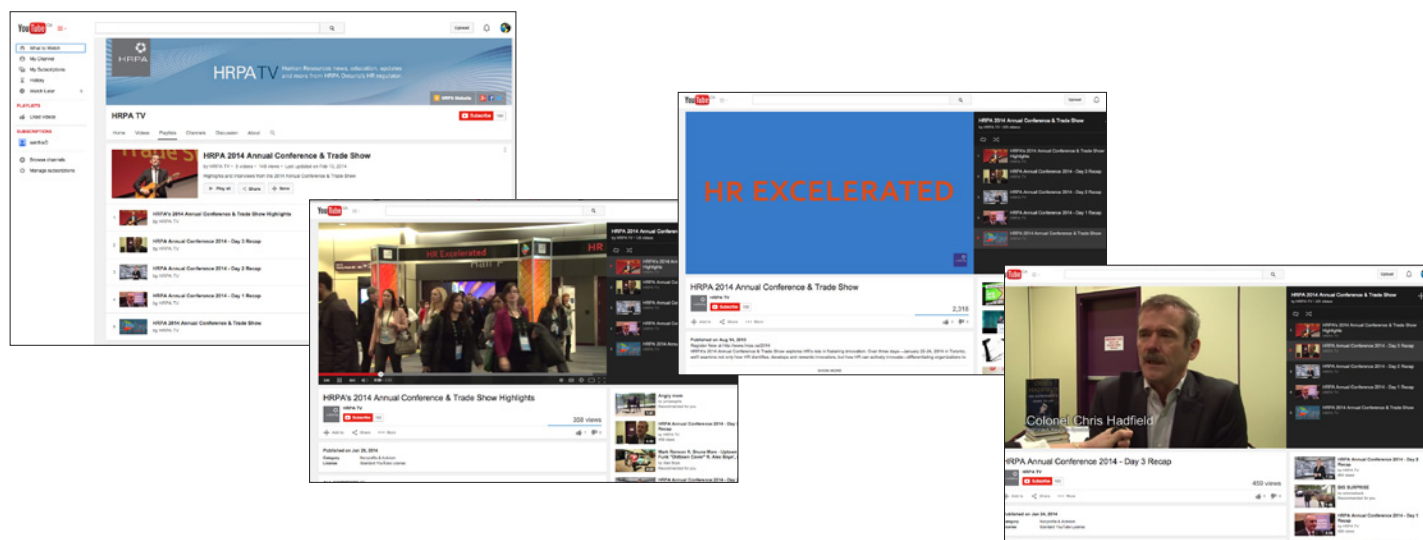


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## NEW DESIGNATIONS AND CERTIFICATION FRAMEWORK

Late last fall, HRPAs introduced a new competency based HR certification framework that tests an updated body of HR knowledge, and the ability to apply that knowledge, at three levels of human resources practice: entry, professional and executive. The new framework creates three new HR designations:

- Certified Human Resources Professional (CHRP) – HRPAs original HR designation, the CHRP becomes the entry-level designation, intended for junior HR roles that are mostly administrative in nature.
- Certified Human Resources Leader (CHRL) – a professional-level designation for specialists/generalists with responsibilities such as managing projects and programs.
- Certified Human Resources Executive (CHRE) – executive-level professionals leading HR in large organizations, and developing and executing HR strategy in support of long-term organizational goals.

Full details: [www.hrdesignations.ca](http://www.hrdesignations.ca)

Existing CHRPs, SHRPs and CHRP Candidates were grandfathered into the CHRL, CHRE, and CHRP designations respectively.

HRPA updated its competency framework and designations for two major reasons: The original CHRP was created as an entry to the profession in 1996. Since then, the world of work has changed dramatically and has increased business expectations of HR professionals. An update was necessary to certify both knowledge and competence around things like strategy, demographics, workplace

accommodation, business acumen, diversity, employment law and analytics.

And second, with the passage of the *Registered Human Resources Professionals Act, 2013*, the government has trusted HRPAs to self-regulate in the public interest, as a Tier 1 profession, and an updated framework was necessary to do this effectively.

### MEMBER BENEFITS, ENGAGEMENT AND GROWTH

Last year saw HRPAs membership approach 21,000 for the first time and its 2014 member satisfaction survey saw a record overall satisfaction rating of 4.6 (out of six). HRPAs and its 28 chapters achieved this through:

- using the HRPAs Member reward card to provide event participation incentives, increasing overall event attendance from 27% to 32%;
- an enhanced [MyHRPA app](#) which delivers “HRPA Today” (HR Daily, HR Professional, vendor guide) to smartphones, along with information on member savings, PD, chapters, plus access to Resource Centre and HR Hotline;
- expanding [chapter mentoring programs](#) to 27 of 28 Chapters (representing 99% of members); and
- expanding [HRPA Edge](#) paid internship program to 50 host organizations, with more than 50 CHRPs placed in internships.

## IMPROVE PROTECTION OF THE PUBLIC

HRPA's regulatory authority comes from the *Registered Human Resources Professionals Act, 2013*. The Act outlines the objects of the Association, the first of which is to promote and protect the public interest by governing and regulating the practice of members of the Association. The Office of the Registrar is responsible for the management of HRPA's regulatory and certification processes. Much of this work is done by committees made up of HRPA members (who are able to provide the perspective of the HR profession) as well as public representatives (who help support the public interest in regulatory decisions). Four key regulatory committees are the Registration Committee, the Complaints and Investigation Committee, the Discipline Committee and the Appeals Committee.

### REGISTRATION COMMITTEE

In 2014, four membership applications were referred to the Registration Committee for review. A referral is made when an applicant for registration does not obviously meet the requirements for membership. All of the applicants referred in 2014 were subsequently registered with HRPA.

### COMPLAINTS AND INVESTIGATION COMMITTEE

The Complaints and Investigation Committee reviews every written complaint regarding the conduct of a member. If the complaint contains information suggesting that the member may be guilty of professional misconduct, the committee will investigate the matter. If, subsequent to the investigation, there is sufficient evidence of professional misconduct or incompetence, the Complaints and Investigation Committee will refer the matter to the Discipline Committee for a hearing.

In 2014 the Complaints and Investigations Committee received 11 complaints. Of these complaints, three were still under investigation as of December 31, 2014, two were withdrawn, four were dismissed (one of those decisions is under appeal), one was dismissed with a caution to the member, and one was referred to the Discipline Committee for a discipline hearing.

### DISCIPLINE COMMITTEE

The Discipline Committee hears every matter referred to them by the Complaints and Investigations Committee. The Discipline Committee also acts as the Capacity Committee when a referral is made with evidence that a member may be incapacitated. Discipline hearings are open to the public, capacity reviews are not.

There was only one referral to the Discipline Committee in 2014 but there were two hearings held. Both hearings were related to referrals made to the Discipline Committee in 2013. The referral made in 2014 had not yet progressed to the discipline hearing stage by the end of the year.

### APPEALS COMMITTEE

The Appeals Committee received nine requests for an appeal in 2014, six related to a decision of the Experience Assessment Committee for Validation of Experience, two were related to a decision of the registrar, and one related to a decision of the Complaints and Investigation Committee. Of the nine requests for appeal, three were withdrawn before the appeal review and one was not resolved before the end of the year. Of the five decisions, four were denied and one was sent back to the committee that made the original decision for a reassessment.

## COMMITTEE MEMBER TRAINING AND DEVELOPMENT

In addition to the adjudicative work described above, members of HRPAs regulatory adjudicative committees participate in ongoing professional development related to their committee role. In 2014, the members of the complaints committee participated in an investigation training session, and members of the Discipline Committee participated in a 'mock' discipline hearing and received training for the management of referrals related to a member's possible incapacity. Several committees received training regarding best practices for decision writing.

Beyond the work of the regulatory committees, throughout 2014 the Office of the Registrar continued to update and modify our policies and processes to reflect the requirements in the *Registered Human Resources Professionals Act, 2013* and the evolution of regulatory best practices. Some of our initiatives include:

- Updating HRPAs by-laws to reflect provisions in the new *Registered Human Resources Professional Act, 2013*, and to clarify reinstatement of resigned and revoked members
- Updating the information about the complaints process on our website, implementing an evaluation form for parties (both complainants and members) who go through the complaints process, and developing and delivering a free webinar for members to help them understand their rights and responsibilities if they find themselves the subject of a complaint
- Updating the Discipline Committee Rules of Procedure
- Entering into an agreement with Comparative Education Services to assist with the assessment of international post-secondary teaching experience
- Developing and conducting first administration of the Comprehensive Knowledge Exam (CKE) to replace the National Knowledge Exam (NKE), including a pilot of online exam delivery
- Developing an assessment guide for the members of the Experience Assessment Committee who conduct assessments of Validation of Experience applications
- Assisting the Saskatchewan Association of Human Resources Professionals with the development and implementation of their experience assessment process and their appeals process
- Developing and implementing more rigorous privacy protocols for the management of member information shared with adjudicative committees
- Reviewing and updating the terms of reference for all of the regulatory adjudicative committees for consistency and clarity



## EXPAND HRP A INFLUENCE IN PUBLIC POLICY

A key HRP A mandate is to build the Association's influence in setting public policy to ensure legislative and regulatory decisions made by governments and other decision makers reflects the needs of members, organizations and the profession. In support of this, last year HRP A continued working closely with elected officials and key ministries on the following:

- Working with municipal governments in the GTA to explore membership and professional development opportunities. This represents the largest untapped potential market for new members.
- Secured funding of \$128,000 from the Accessibility Directorate for the Enabling Change program. Developed criteria for government appointees to the HRP A board including process timing and requirements.
- Successfully got College of Trades position paper introduced as a provincial election platform issue, including one political party incorporating our suggestion into their platform. Premier's office also agreed to put our recommendations forward to the College of Trades review panel.
- Obtained seats on National Steering Committee, Mobilizing Action: Family Caregivers in Canada, Program Advisory Committee and George Brown College.

## THOUGHT LEADERSHIP

Expanding HRPAs influence among government, business and other stakeholders means providing thought leadership around HR issues affecting Ontario workplaces. Over 2014, HRPAs produced and disseminated the following HR research:

[Apprenticeship Reform: Ontario's future depends on it](#)—a paper calling on Ontario's College of Trades to change its apprenticeships regime, including modernizing the certified tradespeople-to-student ratio required to train apprentices.

[Employee engagement as an HR metric](#)—HRPA member survey found eighty per cent of respondents strongly supported the metric, with more than a third saying it's a concept that's increased in importance over the years.

[Workplace compassionate care leave policies](#)—In partnership with Canadian Hospice Palliative Care Association, HRPAs polled its membership on compassionate care leave and found 61 per cent of respondents said formal leave policies increase engagement and retention for employees caring for terminally ill loved ones.

HRPA also continues to work with stakeholder partners on projects to improve workplaces and the lives of Ontario workers. This year we:

- Created [web resources and professional development](#) to educate HR professionals and employers around mental health issues in the workplace.
- In support of Ontario's [AODA](#) workplace initiatives, we toured an Accessibility Certificate program for HR professionals in four cities across Ontario, and produced a free webinar series around Accessibility standards for customer service, employment and information and communications.
- In partnership with the Ontario Ministry of Citizenship and Immigration, we produced the [Cultural Competency Training Program](#)—a one-day certificate program to help organizations understand the impact of cultural dimensions on hiring and behaviour in the workplace.





## EXCEPTIONAL COMMUNICATION

A key pillar of HRPAs ongoing strategy involves exceptional communications to our many stakeholders: organizations, members, academia, other associations, board and chapter directors, government, the public and staff.

In 2014, HRPAs continued these efforts:

- Continued to broaden HRPAs social media influence with 1,000 Facebook likes, approaching 10,000 Twitter followers and 11,000 LinkedIn community members
- The Association standardized election cycles for Chapters to deliver information about provincial and chapter elections, including provincial and local candidates







## BALANCE SHEET

NOVEMBER 30, 2014, WITH COMPARATIVE INFORMATION FOR 2013

	2014	2013
<b>Assets</b>		
Current assets:		
Cash	\$ 366,058	\$ 405,426
Short-term investments	3,850,000	2,000,000
Accounts receivable	660,373	544,191
Prepaid expenses	575,419	706,499
Security deposit	–	50,000
	5,451,850	3,706,116
Long-term investments	7,734,606	7,943,419
Capital assets, net	2,071,211	2,203,790
Security deposit	250,000	250,000
	\$ 15,507,667	\$ 14,103,325
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,693,340	\$ 1,372,607
Deferred revenue	5,596,874	5,565,485
	7,290,214	6,938,092
Deferred rent	903,220	1,009,481
Net assets:		
Invested in capital assets	2,071,211	2,203,790
Internally restricted	2,773,112	1,045,102
Contingency fund	2,309,910	2,406,860
Unrestricted	160,000	500,000
	7,314,233	6,155,752
	\$ 15,507,667	\$ 14,103,325



# STATEMENT OF OPERATIONS

YEAR ENDED NOVEMBER 30, 2014, WITH COMPARATIVE INFORMATION FOR 2013

	2014	2013
<b>Revenue:</b>		
Membership and member services	\$ 5,794,482	\$ 5,536,505
Annual conference	3,691,028	3,618,498
Professional development and support programs	1,431,245	1,352,079
Regulatory affairs	1,146,103	969,072
Publications, communications and marketing	383,087	433,613
Administration	178,885	217,944
National rebate and shared services	–	75,498
	12,624,830	12,203,209
<b>Expenses:</b>		
Administration	2,825,606	2,671,619
Annual conference	2,390,072	2,347,852
Professional development and support programs	1,265,495	1,358,041
Regulatory affairs	961,039	857,389
Membership and member services	843,614	895,340
Publications, communications and marketing	800,272	812,347
Amortization	746,173	808,340
Office space and utilities	703,986	663,117
Board and board committees	551,082	381,261
Public affairs and research	546,451	440,355
Chapters, volunteers and awards	475,729	306,010
National levies and support	215,560	503,030
	12,325,079	12,044,701
Excess of revenue over expenses before investment income	299,751	158,508
Investment income	858,730	672,754
Excess of revenue over expenses	\$ 1,158,481	\$ 831,262

**Note:**

Copies of the complete November 30, 2014 audited financial statements, including the auditors' report, are available at the Human Resources Professionals Association's office or can be requested by emailing [finance@hrpa.ca](mailto:finance@hrpa.ca).

## FINANCIAL OVERVIEW – FISCAL YEAR 2014

HRPA ended fiscal year 2014 with a surplus of \$1,158,481 compared to a surplus in fiscal year 2013 of \$831,262. Operating revenue for the year increased by 3.5 per cent over the previous year, or \$421,621, while expenses increased by 2.3 per cent, or \$280,378. Investment income for the year increased significantly over the previous year due to a significant increase in market values during the year. Overall, HRPAs continues to maintain a very healthy financial position with net assets totalling \$7,314,233. Following are highlights of some key variances year-over-year:

### BALANCE SHEET

- Short term investments are higher than the previous year, due in part to a transfer of funds from the long-term investment portfolio, along with strong cash inflows during the year.
- Accounts receivable are higher than the previous year, due in most part to the timing of credit card payments being processed at year-end.
- Prepaid expenses relate to the annual conference, insurance, software maintenance, licenses, and other costs having future benefits; overall, the total for these amounts is lower than the previous year, due mostly to lower deposits associated with a new annual conference booth provider.
- Long-term investments are lower than the previous year due to the net effect associated with a significant increase in market value, along with the withdrawal of funds during the year.
- Capital assets are lower than the previous year, due in most part to 2014 being the fourth year of amortization of the new office space.
- Security deposit relates to an initial deposit that was required as part of the new office lease agreement in 2011. The remaining balance of the deposit (\$250,000) is being held by the landlord for the duration of the lease term, and shall be returned to HRPAs in 2023, with interest as provided for in the lease agreement.
- Accounts payable and accrued liabilities are higher than the previous year, due to the timing of payments at year-end, along with a higher number of accrual entries.
- Deferred revenue pertains to amounts collected for the annual conference, membership dues, government funded programs, and other programs and services being held after year-end. The overall amount is fairly similar to the 2013 year-end amount.
- Deferred rent pertains to two different amounts associated with the lease for HRPAs office and learning centre premises – one amount relates to the tenant improvement allowance, and another amount pertains to the rent-free period from the beginning of the lease term. These two amounts are being amortized evenly over the term of the lease, according to accounting standards, and hence the balance in 2014 is lower than in 2013.
- Net assets have been restricted for capital budget purposes, including amounts pertaining to certain hardware and software upgrades and general office capital expenditures. The Contingency Fund is a reserve for general operating contingencies and is not available for use by the Association without prior approval of the Board of Directors.
- In-line with general guidelines for not-for-profit associations, HRPAs target for reserves is set at 50 per cent of annual operating costs. Based on the operating budget for fiscal year 2014-2015, the association's reserve is at approximately 34.4 percent of annual operating costs.

# FINANCIAL OVERVIEW – FISCAL YEAR 2014 (continued)

## STATEMENT OF OPERATIONS

### Membership and Member Services

Higher membership revenue in fiscal 2014 was due mainly to an overall increase in membership numbers, including a very high membership retention rate. Expenses under this area were slightly lower due to lower costs associated with a new mentorship software provider, along with slightly lower member recruitment marketing.

### Annual Conference

The overall surplus from HRPAs Annual Conference and Trade Show increased from \$1,270,646 in fiscal 2013 to \$1,300,956 in fiscal 2014 – an increase of \$30,310. Revenue was higher by \$72,530 – a result of increased registration revenue and higher sponsorship revenue, offset partially with lower exhibitor revenue. Expenses increased over the previous year by \$42,220 due mainly to higher food costs and higher staff overhead allocation charges.

### Administration

Administration revenue was lower in 2014 due mainly to lower rental income associated with the studio/media room. Expenses under Administration were higher due to slight increases in several costs, including higher computer services related to the web site, higher credit card fees associated with an increase in the number of payments being made with credit cards, higher insurance costs, higher learning centre expenses, and higher general administrative costs.

### Professional Development and Support Programs

Total revenue from HRPAs events and government-funded programs increased by \$79,166 over the previous year. This increase was due to higher revenue from certificate programs, one-day conferences and workshops, partially offset with lower government-fund program revenue. Expenses decreased by \$92,546 due mainly to lower costs associated with various government-funded programs.

### Regulatory Affairs

Revenue from regulatory-related activities increased by \$177,031 in 2014. This increase was due to a higher number of the following: validation of experience applications, knowledge exam writers, and registrations for the on-line academic program. Expenses increased in this area by \$103,650 due mainly to higher costs associated with the knowledge exam, as well as certain staffing costs that were no longer subsidized by the national body in 2014.

### Publications, Communications and Marketing

Revenue under this area decreased in 2014, due to a lower number of registrants for HRwrx, along with less revenue associated with the HR Metrics service. Expenses were lower in this area in 2014, due to lower costs associated with HRwrx, the *HR Professional* magazine, and HR Metrics; partially offsetting these lower costs were higher marketing expenses related to the new designation framework.

### Amortization

Amortization expense relates to the annual depreciation costs associated with capital assets. This cost is lower in 2014 due in most part to the timing of asset purchases made during the year, and consequently the amount of amortization recognized during the year.

### Office Space and Utilities

Expenses related to office space and utilities were higher in 2014, due to a credit received in 2013 from the landlord relating to the previous year's operating costs, along with slightly higher monthly operating costs in 2014.

### Board and Board Committees

Expenses under this area increased in 2014, due in most part to a grant made to the Human Resources Research Institute (HRI) during the year, along with higher legal and trademark costs related to the new designations.



## FINANCIAL OVERVIEW – FISCAL YEAR 2014 (continued)

### Public Affairs and Research

Expenses are higher under this area due to consulting costs associated with the launch of a major research project in 2014, along with slightly higher staff overhead allocation charges.

### Chapters, Volunteers and Awards

Expenses related to Chapter Relations were higher in 2014, due to a significant increase in the number of chapter visits and chapter relation activities, along with higher staff overhead allocation charges to this area based on staff activity during the year. These increases were mainly associated with the chapter financial consolidation and centralization project.

### National Rebate and Shared Services/National Levies and Support

Revenue under this area in 2013 related to salary recovery revenue and facilities rental revenue, both of which ended in 2013. Expenses under this area decreased due to the withdrawal of HRP from CCHRA during 2014, resulting in lower levy costs and lower exam administration fees for the year.

### Investment Income

Investment income increased over the previous year, due to extremely favourable market conditions during 2014.



## 2014 BOARD OF DIRECTORS + SENIOR MANAGEMENT

### BOARD OF DIRECTORS

Philip Wilson, CHRE - Chair of the Board  
Brenda Clark, CHRE - Vice Chair of the Board  
Jo Ann Ball, CHRL  
Elizabeth Black, CHRL  
Christina Brassard, CHRL  
Janet Brooks, CHRE  
Michelle Collier, CHRL  
Deidre Henne CPA, CA  
Alice Kubicek, CHRE  
Jennifer Laidlaw, CHRE  
Kirk Merrett, CHRL  
Murray Odesse, CHRL  
Bonnie Seidman, CHRL  
Karen Stone, CHRE  
Melinda Sutcliffe, CHRL  
Bob Thompson, CHRL  
Bill Greenhalgh, Chief Executive Officer

### SENIOR MANAGEMENT

William (Bill) Greenhalgh  
Chief Executive Officer  
J. Scott Allinson  
Vice President, Public Affairs  
Claude Balthazard, CHRL, C. Psych  
Vice President, Regulatory Affairs  
Valerie Browne, CAE  
Director of Professional Standards and Registrar  
Chris Larsen  
Vice President, Marketing, Membership  
and Professional Development  
Gary Monk, CPA, CMA  
Vice President, Finance and Information  
Technology  
Marta Pawych, CMM  
Vice President, Annual Conference and  
Sponsorship  
Louise Tagliacozzo  
Director, Board Relations and Administration