

A R T S P A C E

ANNUAL REPORT

September 1 2011 to August 31 2012

ABOUT ARTSPACE

MANDATE:

The purpose of Artspace Inc. is to provide an arts centre in the Exchange District of Winnipeg, with production, administration and public display areas, for the benefit of the citizens of Manitoba.

MISSION:

The Artspace Building is a renovated historic building in Winnipeg's Exchange District designed to provide affordable space to artists and arts groups. It is administered by a Board representing writers; composers, playwrights, publishers, visual artists, filmmakers and video artists, performing artists and arts service organizations. Its facilities enable Member groups to exchange ideas and information and to give the arts in Manitoba greater visibility and impact.

OPERATIONS:

Since inception in 1984, Artspace Inc. has had a profound and positive effect on the development of arts and culture in Manitoba. As an arts service organization, it supports its membership and the arts at large by providing administrative services and creation, production, exhibition and administration space.

Artspace Inc. developed and now manages and maintains the Artspace building, a renovated 55,000 sq. ft. historic former dry goods warehouse in the heart of Winnipeg's Exchange District. Through this it provides reasonably priced space to its fourteen member organizations, which are comprised of thousands of Manitoba's cultural creators. As members of Artspace Inc., these organizations are able to devote a greater portion of their resources to their own program delivery, rather than focusing on facility management. Clustering cultural organizations in this manner alleviates the isolation that often comes with creative practice and encourages both artistic collaboration and resource sharing.

Artspace Inc. also operates Artspace Arts Management (AAM), Manitoba's only umbrella arts administration service. Through AAM, Artspace Inc. provides standardized back office services to professional arts organizations, which takes advantage of economies of scale and as in the operation of the Artspace building, allows a greater focus on program delivery.

BOARD OF DIRECTORS

In October of 2011 Artspace Inc. instituted a new governance structure by approving new bylaws at a Special General Meeting of the Members. Below is the Board elected at this October Meeting with one Director appointed subsequent to this meeting.

Chuck McEwen	President
Clarise Foster	Vice President
Mary Lou McGurran	Secretary
Jodie Gagola	Treasurer (to April 2012)
Cecilia Araneda	Past President
Susan Algie	Director
Irene Bindi	Director
J.J. Kegan McFadden	Director
Melentie Pandilovski	Director
Robert Sauvey	Director (February 2012 to July 2012)

STAFF

Randy Joynt	Executive Director
Ian King	Administrative Assistant
Dave Wiebe	Building Superintendent
Lois Hogg	Weekend maintenance

THE YEAR IN REVIEW

Having approved a strategic plan that paved the way for the organization to develop new ways to serve its membership and the community at large in 2009/2010, Artspace Inc. began laying the foundation to ensure the necessary systems were in place to support this evolution in 2010/2011. This work continued in 2011/2012 and significant progress was made towards Artspace's reinvigoration as a multidisciplinary arts service organization.

Governance Review

Spanning three fiscal years, the Artspace Inc. governance review project culminated in new bylaws being implemented at an October 2011 Special General Meeting of the Artspace Inc. members.

The organization's new bylaws constitute a fundamental shift from a representative Board structure, to one where the Directors' fiduciary duty to Artspace Inc. is paramount. The Board size was reduced from a maximum of nineteen to a maximum of twelve and the Board's area of responsibility was refocused from operations to governance, and oversight of the strategic direction of the organization.

THE HUB, A Centre for Media Arts and Innovation

In 2009/2010, Artspace Inc. and the Winnipeg Film Group jointly began the process of gathering support for a study to assess the feasibility of developing a second facility to house the Winnipeg Film Group and other partners. The study was to include an assessment of the need for the proposed facility, the operational capacity of both organizations to undertake the development, the partners' fundraising capacity and the architectural requirements. Additionally, the challenges and opportunities presented by the Winnipeg Film Group moving from the Artspace building were to be examined.

Though this study was initially motivated by the Winnipeg Film Group's desire to address their facility concerns, it dovetailed with Artspace Inc.'s strategic plan goal of "partnering in additional creative space development and management." Artspace Inc.'s involvement also ensures the implications of a potential Winnipeg Film Group move from the existing building are fully understood and managed accordingly.

In 2010/2011, a steering committee was struck to oversee the project. Committee members included Cecilia Araneda, Winnipeg Film Group Executive Director; Lawrence Bird, an architectural fellow at the University of Manitoba; Randy Joynt, Artspace Inc. Executive Director; Chuck McEwen, Artspace Inc. President; and Joe Novak, Winnipeg Film Group President. This committee oversaw the development of the study's Terms of Reference and issuing a Request for Proposals. Nine proposals were received and the steering committee chose to award the contract to a team lead by Winnipeg firm Scatliff+ Miller+ Murray.

Work began on the study in January 2011 and it was completed in January 2012. Taking the project from inception to the study's completion was a time intensive process for both staff and the steering committee as it involved extensive consultation with potential partners and other community members. Once received, the study was jointly presented to the Boards of Artspace Inc., Urban Shaman Contemporary Aboriginal Arts, Video Pool Media Arts Centre and the Winnipeg Film Group as well as to funders and other stakeholders.

Once the presentations were complete, attention turned to site selection and working towards building the project partners' fundraising capacity.

Artspace Arts Management (AAM)

In 09/10 development began on Artspace Arts Management (AAM), Manitoba's first umbrella arts management service as detailed in Artspace Inc.'s strategic plan. Model development, needs assessment and fundraising work continued in 2010/2011 and in 2011/2012, a "pre-pilot" year was ready to be tested. During this year, existing Artspace Inc. staff were able to offer services that included proposal writing, report development and meeting facilitation to a client list that included Canada's Royal Winnipeg Ballet, Manitoba Writers' Guild, Mennonite Literary Society, Urban Shaman Contemporary Aboriginal Art Gallery, Winnipeg Film Group and Young Lungs Dance Exchange.

Additionally, throughout the year, AAM systems including intake procedures, contracts and metrics were refined. The year was fruitful enough to warrant entering a full two-year pilot phase and with successful fundraising, preparations were made to hire a dedicated AAM staff person for 2012/2013.

Found below are some details on the AAM model:

AAM Vision/Mission

To support the growth and development of the arts in Manitoba in a manner which promotes excellence, efficiency and sustainability.

AAM Mandate and Scope of Activity

Artspace Arts Management provides quality management and administrative resources to arts organizations across disciplines at affordable rates.

AAM consists of Artspace Inc. permanent staff and a roster of service providers who are experts in various aspects of arts management. It currently offers direct services provided by staff, as well as service matching and service referrals. Potential AAM clients undergo an intake process to determine their needs, develop a work plan and allot service hours. The client base is not curated, though each client must meet minimum professional standards.

Each year a fixed number of hours are available for allotment to clients based on available AAM resources. The client fee is determined on a per project basis or an hourly fee determined by a sliding scale relative to the client's annual budget. AAM services are offered below market value, ensuring accessibility for all.

Working with in house Artspace Inc. staff and a network of experienced arts consultants and service providers who are contracted on as needed basis, AAM is currently offering:

- Proposal writing.
- Research and report development.
- Bookkeeping.

Given the demand, Artspace Inc. is considering adding information technology and human resource services to its AAM offerings.

Millennium Centre

During this year, Artspace Inc. was commissioned by the 389 Main Street Heritage Corporation to facilitate a process to investigate the development of the Millennium Centre as an arts centre. This process consisted of two open houses where interested parties were given a tour of the building and then provided feedback in a facilitated discussion as to the potential uses for the centre. Additional feedback was also gathered in a number of stakeholder discussions and then consolidated for delivery as a report in the following year.

Artspace Inc., with its history of developing and now managing a facility that co locates arts organizations, was a natural fit for this investigation. Artspace Inc. is maintaining a relationship with the 389 Main Street Heritage Corporation in an advisory role to ensure that both our organization and the local arts community are party to future development plans.

Window Restoration

Artspace undertook the first steps toward the restoration of our 142 windows this year by commissioning heritage building consultant Craig Sims, (in partnership with 1 X 1 architecture) to assess the condition of the windows. Then, with assistance from a mechanical engineering firm, an environmental consulting firm and a paint analysis expert prepared a comprehensive report detailing their findings and recommendations for the restoration of the windows in a manner that is consistent with the Exchange District's commemorative integrity.

The final report at 75 pages long is perhaps a more detailed document than anticipated and will inform the next stages of the process as well as be a valuable addition to the knowledge base for the Artspace (Gault) building and the Exchange District as a whole.

Though not a part of the original project description, the project naturally led to undertaking the restoration of one mock-up window. This was recently completed by local contractor Yarrow Sash and Door and will function as a terrific template for the eventual restoration of the remaining windows. It has been very exciting to see the report recommendations put into practical use and the historically accurate restoration of a fourth floor window is a wonderful example of the workmanship that was put into the building's original construction. As both an arts facility and a heritage building, the marriage of art and craftsmanship in Artspace is an organic one and serves a dual purpose; preserving our city's beautiful built heritage while providing stable, affordable space for the creation and production of art.

Capital Improvements

A number of capital improvements and larger maintenance items were undertaken in 11/12:

- A thermostat and zone valve was installed on the North wall of the lobby, which completes the installation of these devices throughout the entire building. This was undertaken to increase comfort levels and to reduce our carbon footprint and energy expense. A marked improvement has been noted in each of these areas.
- A water fountain was installed adjacent to the loading dock in the lobby.
- The third floor was painted
- New electrical circuits were added to the 2nd, 4th and 5th floors to address circuit overloading due to the demands of air conditioners.
- A new lobby bench was constructed and installed and the existing bench was relocated to increase seating and improve traffic flow.

Ongoing Activity

The ongoing activity of managing and maintaining the Artspace building while supporting the membership and wider community continued throughout the year. Artspace once again participated in Heritage Winnipeg's Doors Open weekend in May 2012, welcoming over 400 people to the building. Numerous projects from the larger artistic community were supported by the gratis provision of access and space including: installations in the lobby and tunnel, photo and film shoots on the roof, and workshops in the boardroom.

Though not always obvious, resource sharing in the form of a shared boardroom, photocopier, postage machine; and the minor administrative services such as package receiving provided by Artspace to its members remains invaluable. As Winnipeg's Exchange District becomes more attractive to developers and more cost prohibitive for artists, Artspace remains a stronghold of creativity. The foresight demonstrated by the organization's founders and supporters through developing this unique organization, becomes more important to the maintenance and growth of Manitoba's cultural fabric with each passing year.

Artspace Inc. Funders

Operating Funder

Manitoba Department of Culture, Heritage and Tourism – Arts Branch

Project/Capital Funders

Parks Canada - National Historic Sites of Canada Cost Sharing Program

Manitoba Department of Culture, Heritage and Tourism - Designated Grants to Heritage Buildings

Manitoba Department of Culture, Heritage and Tourism - Arts Branch

Manitoba Housing and Community Development - Community Places

The Manitoba Arts Council

The Winnipeg Foundation – Professional Development, AAA Fund, Enviro-Grants

The Banff Centre

CentreVenture

Chuck McEwen
President

Randy Joynt
Executive Director

Artspace Inc.
Summarized Financial Statements
August 31, 2012



CHARTERED ACCOUNTANTS

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Report of the Independent Auditors on the Summarized Financial Statements

To the Members of
Artspace Inc.

The accompanying summarized financial statements, which comprise the statement of financial position as at August 31, 2012 and the statements of financial activities and changes in fund balances for the year then ended, are derived from the audited financial statements of Artspace Inc. for the year ended August 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated January 15, 2013.

The summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of the organization.

Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the following basis:

The summarized financial statements include the major totals and subtotals from the related complete financial statements dealing with matters having a pervasive or otherwise significant effect on the summarized financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary of Financial Statements."

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of Artspace Inc. for the year ended August 31, 2012 are a fair summary of those statements, on the basis described above.

Winnipeg, Canada
January 15, 2013

Chartered Accountants

Artspace Inc.**Statements of Financial Activities and Changes in Fund Balances**

Year Ended August 31

2012**2011**

Revenues

Administration	\$ 39,451	\$ 42,033
Member services	34,303	32,598
Building operations	239,115	244,068
Building improvement grants	<u>58,045</u>	<u>84,294</u>
	<u>370,914</u>	<u>402,993</u>

Expenses

Administration	115,463	88,900
Member services	28,456	27,122
Building operations	182,372	201,246
Building improvements	<u>52,714</u>	<u>77,520</u>
	<u>379,005</u>	<u>394,788</u>

(Deficiency) excess of revenues over expenses

\$ (8,091) \$ 8,205

	Operating Fund	Reserve Funds	2012	2011
Fund balances, beginning of year	\$ 18,205	\$ 85,582	\$ 103,787	\$ 95,582
(Deficiency) excess of revenues over expenses	(8,091)	-	(8,091)	8,205
Interfund transfer	<u>(8,205)</u>	<u>8,205</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,909</u>	<u>\$ 93,787</u>	<u>\$ 95,696</u>	<u>\$ 103,787</u>

Artspace Inc.
Statement of Financial Position

August 31 2012 2011

	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Funds</u>		
Assets				
Current				
Cash	\$ 46,082	\$ -	\$ 46,082	\$ 64,287
Term deposits	18,019	94,090	112,109	113,444
Receivables	13,472	-	13,472	12,162
Prepays	13,557	-	13,557	2,233
	<u>91,130</u>	<u>94,090</u>	<u>185,220</u>	<u>192,126</u>
Interfund balance	<u>303</u>	<u>(303)</u>	<u>-</u>	<u>-</u>
	<u>\$ 91,433</u>	<u>\$ 93,787</u>	<u>\$ 185,220</u>	<u>\$ 192,126</u>

Liabilities

Current				
Payables and accruals	\$ 16,555	\$ -	\$ 16,555	\$ 15,319
Security deposits	18,020	-	18,020	18,020
Deferred contributions	54,949	-	54,949	55,000
	<u>89,524</u>	<u>-</u>	<u>89,524</u>	<u>88,339</u>

Fund Balances

Operations reserve fund	-	20,000	20,000	20,000
Insurance reserve fund	-	3,000	3,000	3,000
Planning and development fund	-	28,510	28,510	20,305
Capital reserve fund	-	42,277	42,277	42,277
Operating fund	1,909	-	1,909	18,205
	<u>1,909</u>	<u>93,787</u>	<u>95,696</u>	<u>103,787</u>
	<u>\$ 91,433</u>	<u>\$ 93,787</u>	<u>\$ 185,220</u>	<u>\$ 192,126</u>

On behalf of the Board

_____ Director _____ Director