

# **A R T S P A C E**

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## **ANNUAL REPORT**

September 1 2012 to August 31 2013

## **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 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, 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 also operates Artspace Arts Management, Manitoba's only umbrella arts administration service and ArtSupport Manitoba a program to build the capacity of arts and cultural organizations to fundraise from the private sector. These programs, along with the operation of the Artspace building, are the means by which Artspace supports and serves its communities.

## **2012/2013 BOARD OF DIRECTORS**

Chuck McEwen	President
Clarise Foster	Vice President
Susan Algie	Secretary
Cecilia Araneda	Past President
Carol Fournier Dicks	Director
Rose-Anne Harder	Director
Neil Middleton	Director
Heidi Oullette	Director
Melentie Pandilovski	Director
Margot Ross	Director (from June 2013)
Irene Bindi	Director (to August 2013)

## **2012/2013 STAFF**

Randy Joynt	Executive Director
Ian King	Administrative Associate
Todd Besant	Program Consultant
Sharon Thiessen Woods	Bookkeeper/Program Consultant (contractor)
Dave Wiebe	Building Superintendent
Lois Hogg	Weekend maintenance

## **THE YEAR IN REVIEW**

### **The Artspace Building**

The ongoing activity of managing and maintaining the Artspace building while supporting the membership and wider community continued throughout the year. 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 Building Capital Improvements**

#### ***Window Restoration***

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.

Artspace undertook the first steps toward the restoration of our 142 windows in the previous year by commissioning a comprehensive report assessing the condition of the windows and recommending restoration options. As part of this project, one window on the 4<sup>th</sup> floor was restored to function as a template for the restoration of the remaining windows.

In 2012/2013 the restoration of a second window on the 2<sup>nd</sup> floor was begun.

#### ***Lighting Lamp Replacement***

In a significant sustainability initiative, over 200 incandescent lighting lamps in common areas and tenant spaces were replaced with LED lamps in this year. This is expected to reduce our electricity consumption and in turn our carbon footprint. Measures such as this have offset rising utility costs in recent years.

### ***Artspace Office/Boardroom Renovation***

A discrete Executive Director's office was created in the Artspace administration space by expanding into the boardroom. In turn, a storage room adjacent to the South wall of the boardroom was reclaimed, resulting in a minimal net loss of boardroom square footage. With the recent increase in Artspace staff, it was important to create a separate office space to allow for privacy when needed and minimize distractions for all Artspace staff.

### **Artspace Arts Management (AAM)**

In 09/10 development began on Artspace Arts Management (AAM), Manitoba's first umbrella arts management service. 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, Artspace Inc. staff was able to offer services that included proposal writing, report development and meeting facilitation to a diverse client list.

Additionally, throughout the year, AAM systems including intake procedures, contracts and metrics were refined. The year was fruitful enough to prove the program and with successful fundraising, a dedicated AAM staff person, Todd Besant was hired for 2012/2013.

The scope of work undertaken in 2012/2013 through AAM was wide and varied and included: bookkeeping, grant writing, meeting facilitation, circulation support, business plan development and a relocation impact study.

Through the course of the year, we worked towards meeting most requests for administrative and management support that were within our abilities and were successful in providing valuable services for thirteen client organizations.

The varied activity also provided important insight into how we might best continue to refine the program to ensure it is sustainable and best serving our constituencies. Our most important discovery was that in offering such a varied range of service, we either became a low cost competitor to independent consultants or were effectively functioning as staff replacement for some client organizations. It became apparent that this was neither scalable nor sustainable as our services were tied to the skills and experience of our individual staff members and relied on significantly sized projects (such as strategic plans) continuing to come our way.

With this experience, we began to refine our offerings to focus on bookkeeping. Bookkeeping is required by every arts and cultural organization and for the many that do not have a finance person on staff, it is either part of the duties of someone with a variety of responsibilities or contracted out. With repeatable processes and common systems, we are able to realize the advantages of economies of scale as our client list grows and offer services on a cost-recovery basis that remain very competitively priced. Not for Profit arts organizations have

unique financial requirements and we are gathering a body of knowledge that is allowing AAM to set up systems and deliver services for client organizations that enhance their effectiveness and efficiency.

### **ArtSupport Manitoba**

In the summer of 2012, the Manitoba Arts Council sponsored a local presentation by ArtSupport Australia's founding Director Louise Walsh. Upon hearing about the success and impact of this Australian program, a discussion emerged about developing a made in Manitoba program to increase cultural philanthropy in our province. Artspace took the lead on program development as it was an excellent fit with our organizational goals and would allow us to offer another service to support our membership and community.

In developing the program, partnerships were formed with the Arts and Cultural Industries Association of Manitoba, the Manitoba Arts Council, the Manitoba Arts Network and the Manitoba Foundation for the Arts.

In 2012/2013, considerable energies were devoted to program development and fundraising for a 2013/2014 program launch.

### **Facility Expansion**

In partnership with the Winnipeg Film Group, Artspace began work on a study to assess the feasibility of developing a second facility to house the Winnipeg Film Group and other partners in 2009/2010. The study was completed in January 2012 and included an assessment of the need for the proposed facility, the operational capacity of each organization to undertake the development, the partners' fundraising capacity and the architectural requirements. Additionally, the challenges and opportunities presented by a Winnipeg Film Group moving from the Artspace building were examined.

This study identified that the next step in pursuing this project was to develop the partners' capacity to undertake the required capital campaign. In 2012/2013, Artspace lead a fundraising capacity building project to this end that engaged consultant Katarina Kupca to work with Artspace, the Winnipeg Film Group and Urban Shaman Aboriginal Contemporary Art. For Artspace, the key outcome of this project was recognizing that the current Board structure and makeup was not conducive to fundraising. Steps have since been taken to amend this with the recruitment of two new Board members with appropriate skills and networks and the development of a proposed bylaw amendment to rebalance the Board's composition to allow for further strengthening of the Board in this area.

## **Artspace Inc. Funders**

### ***Public***

The Manitoba Arts Council: Governance and Management Assistance  
Manitoba Community Service Council  
Manitoba Department of Culture, Heritage and Tourism: Arts Branch, Operating  
Manitoba Hydro: Power Smart

### ***Private***

Arts and Cultural Industries Association of Manitoba: Capacity Building  
Business for the Arts: ArtsVest  
Cibinel Architects: Corporate sponsorship  
Great West Life: Corporate sponsorship  
Crosier Kilgour and Partners: Corporate sponsorship  
Epp Sieman Engineering: Corporate sponsorship  
The Winnipeg Foundation: Community Grant and Enviro-Grant

Chuck McEwen  
President

Randy Joynt  
Executive Director

**Artspace Inc.**  
**Summarized Financial Statements**  
August 31, 2013



## 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, 2013 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, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated January 22, 2014.

The summarized financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. 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, 2013 are a fair summary of those statements, on the basis described above.



Winnipeg, Canada  
January 22, 2014

Chartered Accountants

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

Year Ended August 31

**2013****2012**

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## Revenues

Administration	\$ 43,749	\$ 39,451
Member services	32,779	34,303
Building operations	236,113	239,115
Building improvement grants	38,507	58,045
Artspace arts management	46,026	-
	<u>397,174</u>	<u>370,914</u>

## Expenses

Administration	97,431	115,463
Member services	26,639	28,456
Building operations	177,912	182,372
Building improvements	55,500	52,714
Artspace arts management	43,227	-
	<u>400,709</u>	<u>379,005</u>

Deficiency of revenues over expenses

\$ (3,535) \$ (8,091)

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	Operating Fund	Reserve Funds	<b>2013</b>	<b>2012</b>
Fund balances, beginning of year	\$ 1,909	\$ 93,787	\$ 95,696	\$ 103,787
Deficiency of revenues over expenses	<u>(3,535)</u>	<u>-</u>	<u>(3,535)</u>	<u>(8,091)</u>
Fund balances, end of year	<u>\$ (1,626)</u>	<u>\$ 93,787</u>	<u>\$ 92,161</u>	<u>\$ 95,696</u>

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**Artspace Inc.**  
**Statement of Financial Position**

August 31 2013 2012

	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Funds</u>		
<b>Assets</b>				
Current				
Cash	\$ 62,547	\$ -	\$ 62,547	\$ 46,082
Term deposits	18,299	95,001	113,300	112,109
Receivables	13,527	-	13,527	13,472
Prepays	<u>6,782</u>	<u>-</u>	<u>6,782</u>	<u>13,557</u>
	101,155	95,001	196,156	185,220
Interfund balance	<u>1,214</u>	<u>(1,214)</u>	<u>-</u>	<u>-</u>
	<u>\$ 102,369</u>	<u>\$ 93,787</u>	<u>\$ 196,156</u>	<u>\$ 185,220</u>

<b>Liabilities</b>				
Current				
Payables and accruals	\$ 21,818	\$ -	\$ 21,818	\$ 16,555
Security deposits	18,020	-	18,020	18,020
Deferred contributions	<u>64,157</u>	<u>-</u>	<u>64,157</u>	<u>54,949</u>
	<u>103,995</u>	<u>-</u>	<u>103,995</u>	<u>89,524</u>

<b>Fund Balances</b>				
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	28,510
Capital reserve fund	-	42,277	42,277	42,277
Operating fund	<u>(1,626)</u>	<u>-</u>	<u>(1,626)</u>	<u>1,909</u>
	<u>(1,626)</u>	<u>93,787</u>	<u>92,161</u>	<u>95,696</u>
	<u>\$ 102,369</u>	<u>\$ 93,787</u>	<u>\$ 196,156</u>	<u>\$ 185,220</u>

On behalf of the Board

\_\_\_\_\_ Director \_\_\_\_\_ Director

The complete financial statements, including the notes to the financial statements and the independent auditors' report, are available upon request by contacting the Artspace office.

