

A R T S P A C E

ANNUAL REPORT

September 1 2013 to August 31 2014

MESSAGE FROM THE PRESIDENT

The past year has been one of significant growth and development at Artspace. The Artspace Arts Management program reached the capacity of our current resources and may be ready for expansion in the near future. We secured seed funding for ArtSupport Manitoba in our first significant private sector fundraising effort. The program launched on February 7, 2014 and now counts over twenty organizations who are participating in this innovative mentorship program. And we finalized our new three-year strategic plan with a commitment to launch an expansion project within the time frame of the plan.

We also updated the board structure and bylaws to welcome more community members into the organization. This is helping to grow our reach and build awareness of the important behind-the-scenes work Artspace carries out to strengthen the Manitoban arts and cultural community. The strategic plan also requires the organization to enhance its governance structure by revising its committees and policies to prepare for the large capital campaign that will be required to complete the expansion project.

I would like to thank my fellow Board members and the Artspace staff for the work they do on behalf of our organization and in turn, our larger arts and cultural community. As we approach Artspace's 30th Anniversary in 2016, I hope you share my pride of the integral support for arts and culture that Artspace provides in Manitoba and my excitement about being part of Artspace's future.



Neil Middleton
President

ABOUT ARTSPACE

MANDATE:

To improve the efficiency, effectiveness and capacity of Manitoban arts and culture organizations by:

- providing facilities, at below market value rates, to house their operations; and
- providing shared administrative and management services to support their operations.

MISSION:

Artspace Inc. creates space for arts and culture to flourish. Through low-cost facilities, and shared administrative services, we play a vital role in supporting the health of Manitoban arts and cultural organizations.

PROFILE

Since opening the Artspace building, a repurposed 55,000 square foot former dry goods warehouse in the heart of Winnipeg's Exchange District in 1986, Artspace has been an integral component of Manitoba's arts and cultural infrastructure and a primary catalyst in the development of Winnipeg's cultural heart, the historic Exchange District.

Each year over 80,000 people pass through the Artspace building's doors to create, produce, exhibit, support, view and learn. Home to nineteen arts and cultural organizations, a number of individual artists and the Artspace staff and programs, the Artspace building truly is Manitoba's arts central.

As one of the first organizations in North America to co-locate not for profits, Artspace has been a practice leader since inception. This commitment to innovation and collaboration is reflected in the launch of two recent programs, Artspace Arts Management, Manitoba's first arts administration umbrella and ArtSupport MB, a fundraising capacity building program that is unique in North America.

Through the delivery of its programs, including the operation of the Artspace building, Artspace directly works with forty-five Manitoban arts and cultural organizations to improve their efficiency, effectiveness and capacity. Not only does this alleviate the sense of isolation that often comes with creative practice, it takes advantage of economies of scale and allows these organizations to focus a greater portion of their resources on the creation, production and presentation of arts and culture.

THE YEAR IN REVIEW

Strategic Plan and Mandate

In April 2014, the Artspace membership approved a new mandate and mission (above) to guide the organization. From this base, the Board of Directors then oversaw the development of a 2014-2017 strategic plan, which was approved in September 2014.

From the consultative process employed during the plan's development, two strategic priorities emerged:

- 1. Enhance and expand facilities for arts and cultural organizations by practicing excellent stewardship of the Artspace building and implementing a plan to develop Artspace II.**
- 2. Respond to the needs of arts and cultural organizations by delivering effective management and administration programs.**

With this guiding document in place, Artspace is well equipped to fulfill its organizational potential through supporting Manitoba's arts and cultural community.

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 2011/2012 by commissioning a comprehensive report assessing the condition of the windows and recommending restoration options. As part of this project, one window on the 4th floor was restored to function as a template for the restoration of the remaining windows.

In 2013/2014 the restoration of a second window on the 2nd floor was completed.

Fire Panel Replacement

The Artspace building's fire panel, the centre of our fire safety system was replaced in this year. The previous panel was installed in the 1984/1985 renovations to repurpose the Gault building for its current use and was no longer serviceable. A new, current panel ensures our fire safety system meets current code and standards.

Artspace Arts Management (AAM)

Artspace Arts Management, Manitoba's first umbrella arts administration service was launched in 2011/2012. In the first two years of operations, AAM provided bookkeeping, grant writing, meeting facilitation, circulation support, business plan development and a relocation impact study to client organizations.

Though the program was clearly meeting clients' needs, it became apparent that the scope of services was too varied to be sustainable with a limited staff contingent.

With this experience, in 2013/2014 the program began to hit its stride as we refined 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.

At the end of the year, AAM had five ongoing and two project-based bookkeeping clients and was well on its way to reaching current capacity early in 2014/2015. The future looks bright for this program as "word of mouth" referrals are occurring on a regular basis.

ArtSupport Manitoba

A pilot project of Artspace, ArtSupport Manitoba launched in February 2014 after a nearly two-year period of development with partners the Arts and Cultural Industries Association of Manitoba, the Manitoba Arts Council, the Manitoba Foundation for the Arts and the Manitoba Arts Network.

ArtSupport Manitoba has two areas of focus:

1. Increasing fundraising capacity within arts and cultural organizations via mentorship.
2. Increasing philanthropy for arts and culture by highlighting its value to current and potential contributors to encourage investment.

Mentorship for Arts & Cultural Organizations

The program has been designed to provide organizations with the tools and confidence they need to address the systemic challenges they face in engaging with the community, building relationships and fundraising.

Community Philanthropy Work

For individuals, foundations and businesses, ArtSupport Manitoba provides an introduction to arts and culture so donors can understand the difference their contributions can make and invest in the sector with confidence. The goal is to encourage people to understand arts and culture is an important part of their lives and to consider a financial investment in addition to their traditional giving.

The Program to Date

The first intake for the program was announced on February 7, 2014 with applications due two weeks later. Fifty-four (54) organizations applied and the twenty-one (21) below were selected for participation:

- Art Gallery of Southwestern Manitoba
- Border Regional Library Board
- Camerata Nova
- Chai Folk Arts Council
- Dauphin and District Allied Arts Council
- Gimli Film Festival
- Jazz Winnipeg
- Le Theatre Cercle Moliere
- Les Amis de arts visuels du Manitoba
- Manitoba Theatre for Young People
- New Iceland Heritage Museum
- Prairie Fire Press
- Rainbow Stage
- Royal Manitoba Theatre Centre
- Shakespeare in the Ruins
- Story Line FX
- Theatre Projects Manitoba
- Urban Shaman Contemporary Aboriginal Art
- Virden Community Arts Council
- Viscount Cultural Council
- Winnipeg Symphony Orchestra

Participating organizations are awarded approximately ten hours of a mentor's time each month. With their mentors, organizations assess their current practices, resources and tools, identify realistic goals and develop work plans. The mentors help them reach their goals by integrating the plans into their operations.

The above organizations will continue in the program for a year ending March 31, 2015, at which time their progress will be assessed. It's anticipated most organizations will benefit from additional time in the program, though their allotment of mentor time will change. This will make room for new organizations to enter the program in Year Two of the three-year pilot project.

Though work on the community side started a little later than the mentorship, ArtSupport Manitoba was present at the Manitoba Chambers of Commerce AGM weekend in Dauphin in April 2014. We presented the program and its goals to community leaders throughout the province. Follow-up, tailored presentations are being scheduled for the Brandon, Dauphin and Virden Chambers of Commerce. Additionally, a round table event with local philanthropists to solicit feedback as to perceived barriers to supporting arts and culture is scheduled for February 19th and numerous individual meetings with foundations and donors have occurred.

Though program development and rollout has been a significant undertaking for Artspace, it is very satisfying to see that many of the participating organizations are beginning to develop a culture of philanthropy, which is translating to increased private sector revenues.

2013/2014 Board of Directors

Neil Middleton	President (from April 2014)
Chuck McEwen	President (to April 2014), Past-President (from April 2014)
Rose-Anne Harder	Vice-President (from April 2014)
Clarise Foster	Vice President (to April 2014), Director (from April 2014)
Susan Algie	Secretary
Cecilia Araneda	Past President (to April 2014), Director (from April 2014)
Carol Fournier Dicks	Director
Paul Lacap	Director (from March 2014)
Heidi Oullette	Director
Melentie Pandilovski	Director
Margot Ross	Director

2013/2014 Staff

Randy Joynt	Executive Director
Ian King	Administrative Associate
Todd Besant	Program Consultant (to October 2014)
Cheryl Miki	Program Coordinator (from November 2014)
Sharon Thiessen Woods	Bookkeeper/Program Consultant (contractor)
Dave Wiebe	Building Superintendent
Lois Hogg	Weekend maintenance

Artspace Inc. Funders and Supporters

Public

Canadian Heritage
The Manitoba Arts Council
Manitoba Department of Tourism, Culture, Sport and Consumer Protection

Private

Arts and Cultural Industries Association of Manitoba
Business for the Arts
Gendis Inc.
Manitoba Foundation for the Arts
The Johnston Group
The Winnipeg Foundation

Artspace Inc.
Summarized Financial Statements
August 31, 2014

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, 2014 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, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated January 28, 2015.

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, 2014 are a fair summary of those statements, on the basis described above.



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

Year Ended August 31

2014**2013**

Revenues

Earned Income	\$ 285,803	\$ 297,044
Private and corporate support	71,481	32,522
Public support	<u>123,560</u>	<u>67,608</u>
	<u>480,844</u>	<u>397,174</u>

Expenses

Administration	97,730	97,431
Tenant services	28,630	26,639
Building operations	185,450	177,912
Building improvements	19,032	55,500
Artspace arts management	30,925	43,227
ArtSupport MB	<u>118,519</u>	<u>-</u>
	<u>480,286</u>	<u>400,709</u>

Excess (deficiency) of revenues over expenses **\$ 558** **\$ (3,535)**

	Operating Fund	Reserve Funds	2014	2013
Fund balances, beginning of years	\$ (1,626)	\$ 93,787	\$ 92,161	\$ 95,696
Deficiency of revenues over expenses	<u>558</u>	<u>-</u>	<u>558</u>	<u>(3,535)</u>
Fund balances, end of years	<u>\$ (1,068)</u>	<u>\$ 93,787</u>	<u>\$ 92,719</u>	<u>\$ 92,161</u>

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.



Artspace Inc.
Statement of Financial Position

August 31 2014 2013

	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Funds</u>		
Assets				
Current				
Cash	\$ 59,238	\$ -	\$ 59,238	\$ 62,547
Term deposits	18,020	93,787	111,807	113,300
Receivables	19,663	-	19,663	13,527
Prepays	9,387	-	9,387	6,782
	\$ 106,308	\$ 93,787	\$ 200,095	\$ 196,156
Liabilities				
Current				
Payables and accruals	\$ 41,247	\$ -	\$ 41,247	\$ 21,818
Security deposits	18,020	-	18,020	18,020
Deferred contributions	48,109	-	48,109	64,157
	107,376	-	107,376	103,995
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	28,510
Capital reserve fund	-	42,277	42,277	42,277
Operating fund	(1,068)	-	(1,068)	(1,626)
	(1,068)	93,787	92,719	92,161
	\$ 106,308	\$ 93,787	\$ 200,095	\$ 196,156

Approved by the Board

_____ Director _____ Director

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