

A R T S P A C E

ANNUAL REPORT

September 1 2014 to August 31 2015

MESSAGE FROM THE PRESIDENT

This has been another great year for Artspace. Artsupport Manitoba entered its second year with 21 clients organizations participating. Artspace Arts Management secured funding to add a second bookkeeper and is now in the process of expanding its client list. And an important capital project to install a safe and functional ground-level elevator was completed successfully. At the governance level, the transition to more community representation on the board was completed successfully and the organization now has volunteers with skills in law, accounting, HR and fundraising sitting at the table.

On behalf of the board I would like to congratulate and thank Randy for his vision and determination in pushing all of these projects forward. I am certain that the next few years will hold some exciting new projects as we celebrate 30 years of Artspace.



Neil Middleton
President

ABOUT ARTSPACE

MANDATE:

To improve the efficiency, effectiveness and capacity of Manitoba based registered Canadian charities with a focus on arts and culture by:

- providing facilities and support services for free or at below market value rates.

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 eighteen 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 over fifty 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

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

New Wheelchair Lift

Though there has been a wheelchair lift in place at the Artspace building for many years, it was a steep, rail style lift that left users uneasy and was not well suited to larger wheelchairs. To ensure that the Artspace building is accessible for all in a safe, dependable manner, a new elevator style lift was installed at the King Street entrance this year.

This was a significant project that spanned five months and cost \$145,000. In addition to Artspace's own investment in the project, contributions were received from the Manitoba Centennial Centre Corporation and the Winnipeg Community Infrastructure Program. During the installation phase, On Screen Manitoba and Platform, the tenants that were most directly impacted showed remarkable patience as their workspaces were disturbed.

The new lift adds considerable value for the Artspace building's tenants and users by providing safe access to all.

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 and in 2014/2015 a window on the 6th floor was completed.

Artspace Arts Management (AAM)

2014/2015 marked the second year the Artspace Arts Management program focused on provided bookkeeping services to arts and cultural organizations. Early in the year, the program reached our existing personnel's capacity and was serving eight full cycle clients while responding to project based requests.

In addition to being a cost effective solution, AAM adds value for clients by promoting best practices and contributing to their financial literacy. 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, plans were in place to expand the program by adding additional staff to serve additional clients.

ArtSupport Manitoba

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 ArtSupport Manitoba program has operated since February 2014. In the Artspace 2014/2015 fiscal year, the below organizations were part of the program's mentorship component.

- 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.

Additionally, a number of fundraising professional development sessions, which have been open to the wider arts and cultural community have been held. On the community side, numerous meetings with foundations and donors to talk about the value of arts and culture 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 developing or strengthening a culture of philanthropy, which is translating to increased private sector revenues. In the period from April 1 2014 to March 31 2015, the twenty-one organizations in the program raised \$728,000 of new private sector revenue and their percentage of gross revenues from private sector sources grew from 7% to 9%.

Imagine Canada Standards Program Accreditation

Early in the year, Artspace began working towards achieving accreditation from the Imagine Canada's Standards Program. This program for Canada's non profit and charitable organizations provides guidance and ultimately accreditation for organizations that demonstrate compliance with seventy-three standards in the areas of Board Governance, Financial Accountability and Transparency, Fundraising, Staff Management and Volunteer Management.

As Artspace is now providing a variety of services to over fifty organizations through our programs, it was deemed appropriate to undertake this comprehensive process to strengthen Artspace and demonstrate our commitment to excellence in our own operations.

At the conclusion of the fiscal year, the process was complete and accreditation was received in December 2015.

We look forward to continue to fulfill our mission of "creating space for arts and culture to flourish" with this accreditation.

2014/2015 Board of Directors

Neil Middleton	President
Rose-Anne Harder	Vice-President
Zach Robert	Treasurer (from April 2015)
Susan Algie	Secretary
Chuck McEwen	Past President
Cecilia Araneda	Director (to February 2015)
Carol Fournier Dicks	Director
Clarise Foster	Director
Paul Lacap	Director
Luella Lee	Director (from April 2015)
P. Michael Jerch	Director (from February 2015)
Melentie Pandilovski	Director

2014/2015 Staff

Randy Joynt	Executive Director
Ian King	Administrative Associate
Cheryl Miki	Program Coordinator
Sharon Thiessen Woods	Bookkeeper/Program Consultant (contractor)
Dave Wiebe	Building Superintendent
Lois Hogg	Weekend maintenance
Katarina Kupca	ArtSupport MB Program Director (contractor)
Louise Pujo	ArtSupport MB Mentor (contractor)
Jim Robinson	ArtSupport MB Mentor (contractor)
Norman Velnes	ArtSupport MB Mentor (contractor)
Pamela Simmons	ArtSupport MB Mentor (contractor)
Julie Mikuska	ArtSupport MB Mentor (contractor)
Laura Mikuska	ArtSupport MB Mentor (contractor)
Derek McLean	ArtSupport MB Mentor (contractor)

Artspace Inc. Funders and Supporters

Public

Canadian Heritage
The Manitoba Arts Council
The Manitoba Centennial Centre Corporation
The Manitoba Community Services Council
Manitoba Department of Tourism, Culture, Sport and Consumer Protection
Winnipeg Community Infrastructure Program

Private

Arts and Cultural Industries Association of Manitoba
Manitoba Foundation for the Arts
The Johnston Group
Great West Life
The Winnipeg Foundation
The Thomas Sill Foundation
Wawanesa

Artspace Inc.
Summarized Financial Statements
August 31, 2015



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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, 2015 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, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated January 20, 2016.

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, 2015 are a fair summary of those statements, on the basis described above.

A handwritten signature in blue ink that reads "Booke & Partners".

Winnipeg, Canada
January 20, 2016

Chartered Accountants

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

Year Ended August 31

2015

2014

Revenues

Earned income	\$ 311,053	\$ 285,803
Private and corporate support	118,135	71,481
Public support	203,923	123,560
Amortization of deferred contributions	<u>3,562</u>	<u>-</u>
	<u>636,673</u>	<u>480,844</u>

Expenses

Administration	76,361	97,730
Tenant services	25,717	28,630
Building operations	203,487	185,450
Building improvements	513	19,032
Artspace Arts Management	44,708	30,925
ArtSupport MB	<u>278,596</u>	<u>118,519</u>
	<u>629,382</u>	<u>480,286</u>

Excess of revenues over expenses

\$ 7,291 \$ 558

	Operating Fund	Other Funds	2015	2014
Fund balances, beginning of year	\$ (1,068)	\$ 93,787	\$ 92,719	\$ 92,161
Transfer from operating fund	(24,621)	24,621	-	-
Excess (deficiency) of revenues over expenses	<u>7,975</u>	<u>(684)</u>	<u>7,291</u>	<u>558</u>
Fund balances, end of year	<u>\$ (17,714)</u>	<u>\$ 117,724</u>	<u>\$ 100,010</u>	<u>\$ 92,719</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

2015

2014

	Operating Fund	Reserve Funds	Total	Total
Assets				
Current				
Cash	\$ 40,509	\$ -	\$ 40,509	\$ 59,238
Term deposits	18,020	93,787	111,807	111,807
Receivables	66,027	-	66,027	19,663
Prepays	7,930	-	7,930	9,387
	132,486	93,787	226,273	200,095
Capital assets	-	148,622	148,622	-
	<u>\$ 132,486</u>	<u>\$ 242,409</u>	<u>\$ 374,895</u>	<u>\$ 200,095</u>
Liabilities				
Current				
Payables and accruals	\$ 46,162	\$ -	\$ 46,162	\$ 41,247
Security deposits	18,020	-	18,020	18,020
Deferred contributions	86,018	-	86,018	48,109
	150,200	-	150,200	107,376
Deferred contributions for capital assets	-	124,685	124,685	-
	<u>150,200</u>	<u>124,685</u>	<u>274,885</u>	<u>107,376</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	28,510
Capital reserve fund	-	42,277	42,277	42,277
Invested in capital assets	-	23,937	23,937	-
Operating fund	(17,714)	-	(17,714)	(1,068)
	<u>(17,714)</u>	<u>117,724</u>	<u>100,010</u>	<u>92,719</u>
	<u>\$ 132,486</u>	<u>\$ 242,409</u>	<u>\$ 374,895</u>	<u>\$ 200,095</u>

Approved by the Board

_____ Director

_____ Director

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