



MANITOBA ARTS COUNCIL  
CONSEIL DES ARTS DU MANITOBA

# 2016 ANNUAL 2017 REPORT





## MAC COUNCIL

### CHAIR

Aimée Craft

### VICE-CHAIR

Cindi Rempel Patrick

### MEMBERS

Yisa Akinbolaji  
Scott Baldwin  
Cheryl Bear  
Brenda Blaikie  
Sharron Curry Wiens  
Amy Karlinsky  
Crystal Kolt  
Tricia Penner  
David Roberts  
Gurpreet Sehra  
Jason Smith  
Étoile Stewart  
Lea Stogdale

### CHIEF EXECUTIVE OFFICER

Akoulina Connell

### EXECUTIVE COMMITTEE

Aimée Craft (Chair)  
Scott Baldwin  
Cindi Rempel Patrick  
Étoile Stewart  
Lea Stogdale

### GOVERNANCE COMMITTEE

Gurpreet Sehra (Chair)  
Scott Baldwin  
Aimée Craft  
Crystal Kolt  
Étoile Stewart  
Lea Stogdale

### AUDIT/FINANCE/HR COMMITTEE

Cindi Rempel Patrick (Chair)  
Cheryl Bear  
Brenda Blaikie  
Aimée Craft  
Amy Karlinsky

### MANAP COMMITTEE

Lea Stogdale (Chair)  
Yisa Akinbolaji  
Brenda Blaikie  
Aimée Craft  
David Roberts  
Jason Smith

### EQUITY COMMITTEE

Aimée Craft (Chair)  
Yisa Akinbolaji  
Cheryl Bear  
Tricia Penner  
Sharron Curry Wiens

### INVESTMENT COMMITTEE

Scott Baldwin  
Aimée Craft



MANITOBA ARTS COUNCIL  
CONSEIL DES ARTS DU MANITOBA

## VISION

Artists, organizations, and communities working together to create a vibrant, innovative, and inclusive Manitoba.

## MISSION

We champion excellence in the arts through support for artists and arts organizations in Manitoba.

## VALUES

### EXCELLENCE

In the arts and the administration and delivery of our programs

### DIVERSITY

Fostering greater inclusion in the arts

### INNOVATION

Designing our impact creatively and with a long view

## LEGISLATED MANDATE

The aims and objects of the council are to promote the study, enjoyment, production, and performance of works in the arts; and for that purpose the council may

- a) make grants to, assist, co-operate with, and enlist the aid of, organizations whose objects are similar to the objects of the council, and co-operate with the Canada Council;
- b) provide through appropriate organizations or otherwise for grants, scholarships, or loans, to citizens of Manitoba for study or research in the arts; and
- c) make awards to citizens of Manitoba for outstanding accomplishments in the arts.

## TABLE OF CONTENTS

Letter to the Premier .....	2
Report of the Chair .....	3
Report of the Chief Executive Officer .....	5
Partnerships and Special Initiatives .....	8
Spotlights.....	10
2016-2017 Program Metrics .....	12
Financial Statements .....	14

## PHOTO CREDITS

**Cover:** Wall-to-Wall, *Star Blanket Project* - Red Road Lodge, Kenneth Lavallee, 2016. Photo by Adam Koszuka.

**Inside cover:** zone41 theatre, *Am I Not King*. Photo by Maireen Kops.

**Page 1:** Frances Koncan in Churchill as part of the Churchill Artists' Residency. Photo courtesy of the artist.

**Page 2:** Le 100 NONS, Justin Lacroix backstage at *Franco Roots*. Photo by Dan Harper.

**Page 3:** Artists in the Schools residency at Miami School with Annie Bergen. Photo courtesy of the artist.

**Page 4:** Michelle Wurtz pauses to send a text while working in the strawberry patch with other colony women. Hutterites embrace technology that makes their work more efficient and those technologies often seep into everyday life. *Deerboine Colony*, Tim Smith, 2015.

**Page 5:** A civic death (in praise of the threat) this coherence - of patriarchy, of ancestry, of narrative - is made by erasure and exclusion OR nothing lasts forever, I hope you will consider the sensitives of Hindus, Divya Mehra, 2016. Photo by Karen Asher.

**Page 6:** Long Take Collective, *From the Seat of a Canoe*. Photo by Michelle Panting.

**Page 7:** Michael Dudeck inscribing and illuminating the text for the *Encyclopaedia Messianica* as part of his performance *Liber Meta 1.0* at the ELASTIC Festival in Oxford. Photo courtesy of the artist.

**Page 8:** Nafro Dance, *Mapiko*. Photo by Leif Norman.

**Page 9:** Royal Manitoba Theatre Centre, *Kill Me Now*. Photo by Dylan Hewlett.

**Page 10 (Left):** *ID* exhibition, Graffiti Art Gallery. Photo courtesy of the organization.

**Page 10 (Right):** Camerata Nova, *Taken*. Photo courtesy of the organization.

**Page 11 (Left):** Manitoba Chamber Orchestra, *Water Circle*, Karl Stobbe working with the Frontier Fiddlers. Photo courtesy of the organization.

**Page 11 (Right):** Maurice Mierau (right) at the front in eastern Ukraine, near Avdiivka with his translator, Olga Kalambetova (second from right) and Edward Kulinich (second from left), a national hero for his volunteer work supporting the Ukrainian army. Photo by Alex Kopychko.





MANITOBA ARTS COUNCIL  
CONSEIL DES ARTS DU MANIT

525-93 Lombard Avenue  
Winnipeg, Manitoba  
Canada R3B 3B1

September 30<sup>th</sup>, 2017

The Honourable Brian Pallister,  
Premier and President of the Executive Council

Dear Sir:

In accordance with the provisions of *An Act to Establish the Manitoba Arts Council*, we present this report on behalf of the members of the Manitoba Arts Council, covering the activities of the Council from April 1, 2016 to March 31, 2017.

Sincerely,

**Aimée Craft**  
Chair, Manitoba Arts Council



## REPORT OF THE CHAIR

The Manitoba Arts Council (MAC) celebrated 50 years in Fiscal Year (FY) 2016-2017—a year of reflection, change, and forward movement. Following the retirement of our longtime Executive Director, Douglas Riske, there

was an opportunity to refresh and regroup at MAC, highlighted by the active engagement of our new Chief Executive Officer, Akoulina Connell.

We had a bit of musical Chairs at MAC (pun intended!). Former Chair, Keith Bellamy stepped down from his role and Cindi Rempel Patrick, Vice-Chair, stood in as Acting Chair until my appointment in the early spring of 2016.

In the fall of 2016, Council undertook the hard work of renewing the strategic vision of MAC at Thunderbird House, laying the groundwork for *Designed to Thrive*, our strategic plan for FY 2017-2022. This plan charts the course toward a simplified funding framework: a shift from fifty-four current programs down to five main programs with eight sub-sections. The funding framework for tomorrow will be simple, flexible, adaptive, and responsive to our rapidly changing arts ecosystem. These plans run concurrent with the Province of

Manitoba's Cultural Strategy Review and ongoing funding restructuring process. We are also working collaboratively with government to develop a new Memorandum of Understanding.

Following the Calls to Action of the *Truth and Reconciliation Commission of Canada*, Council wished to go further than endorsement or support—we want to act. We have established the Indigenous Advisory Group, composed of artists representing all Indigenous languages groups of Manitoba and a broad cross-section of arts disciplines. This group serves as a consultative body for the development of Indigenous arts programming and outreach now and into the future.





What we are most proud of at Council is our ability to reduce our deficit experienced in the prior year while being respectful of our partnerships and commitments to the arts community. We have also undertaken a major overhaul of policies at MAC, including our bylaws, committee mandates, communications policy, and many policies that translate to a more open, clear, and fair process within our organization.

In order to ensure stability for arts organizations during the restructuring of the Manitoba Arts Council's programs, Council approved rollover funding to operating clients during FY 2016-2017 and FY 2017-2018.

There are so many people to thank for their good work on behalf of MAC, particularly our committed staff. Many thanks to Douglas Riske for seventeen years of service to the arts community—Council wishes him well in his retirement. Gratitude is also due to Patricia Sanders, who stepped in as Acting Executive Director for six months until Akoulina Connell began her duties in June 2016 prior to Patricia's retirement in October 2016.

Many thanks to all of our Council members. They are so generous with the gift of their time, energy, and skill. A special thanks to those who are leaving MAC after many years of service:

- Keith Bellamy, former Chair (ten years at MAC)
- Cindi Rempel Patrick, Vice-Chair and Acting Chair (ten years at MAC)
- Outgoing Council members Amy Karlinsky, Lea Stogdale, and Brenda Blaikie.

We welcome new Council members Tricia Penner, Gurpreet Sehra, David Roberts, and Sharron Curry Wiens.

Miigwech, Merci, Thank you all.

**Aimée Craft, Chair**  
Manitoba Arts Council



## REPORT OF THE CHIEF EXECUTIVE OFFICER

Friendly Manitoba is living up to its moniker: the welcome from Council, staff, and community has been warm indeed. It is a great privilege to have been selected as the new Chief Executive Officer to lead a mandate for change at the Manitoba Arts Council and to serve the arts community and all Manitobans. The organization is celebrating 50 years of operations, which offers a perfect moment to pause, reflect, and consider new opportunity. I am eager to work with the community to make a difference.

My predecessor, Douglas Riske, served for seventeen years, and leaves quite a legacy. I am also indebted to Patricia Sanders, who stepped up and took the helm as

Acting Executive Director from January to July 2016 while I prepared to leave my past role as Executive Director of the New Brunswick Arts Board. Patricia led capably and smoothed the way for the leadership transition. Her counsel, collaboration, and unbiased candor helped anchor me in my first few months at MAC. Cindi Rempel Patrick, Vice-Chair (and Acting Chair in my first few months), went out of her way to orient me in Winnipeg and help get me settled. Newly appointed Chair, Aimée Craft, always finds time to meet, discuss, and inform. Her insight into the arts environment and into strategies for improving supports for Indigenous artists have proved essential.

---

### Comings and goings

The team at MAC underwent some changes in FY 2016-2017. Patricia Sanders retired in October 2016. We all miss her collegiality, perspective, brilliance as literary arts specialist, and expertise in partnerships and policy. David Scott resigned in August 2016 after eight years of service to focus on music composition. Thank you, David, for your years of commitment as Director of Granting Programs. Kristen Pauch-Nolin, Program Consultant for 10 years, moved with her family to Canmore to pursue a new career opportunity at Banff Centre for the Arts. We wish her every success. Our Network Administrator, Joel Crisp, moved on after 15 years at MAC to take a new position with the City of Winnipeg, but drops in occasionally to say hello.

Congratulations to Elyse Saurette, who was promoted from her role in French Services to a new designated bilingual position in Public Relations. The improvement in bilingual service and online presence on our social media platforms is already making an enormous difference.

Welcome to Debra Solmundson, who joined the team this winter as our part-time Director of Finance. For Debra, this has been a bit of a homecoming; she worked for MAC a decade ago. Her expertise as a designated CPA will stand MAC in good stead.





### Less is more

We're working hard to make MAC more efficient, transparent, and responsive. Overall, the administration team is now smaller by a third. Rather than replace our outgoing staff, we increased hours for two part-time staff to full-time, and redistributed the workload. Savings in management allowed us to address last year's deficit; in the coming year, the savings will provide the resources to implement the new program structure.

Last summer, our team compiled all materials pertaining to presentations, lectures, policy development research, and consultation reports over the past decade. Following that, our staff held a Change Mapping Day in September. It became clear that in a flat funding environment, we cannot continue to add new programs to the existing fifty-four to adapt to change. After a great deal of hard work,

the MAC team has devised a lighter, more flexible and responsive grant framework, not unlike the model used by Canada Council for the Arts. Simple online forms will make grant application easier for artists and arts organizations, standardize assessment methods for peer juries, and speed up grant award turnaround. The future structure was presented to and positively received by Council at the Strategic Planning Session at Thunderbird House on October 30th to 31st, 2016. The Strategic Plan was announced in December, followed by public consultations in January to February 2017 in Brandon, Lac du Bonnet, Thompson, Île-des-Chênes, and in Winnipeg at the Université de Saint-Boniface, the Millennium Library, and Neechi Commons. The consultation results were compiled and released in March 2017.





### Vibrant, articulate, audacious

Manitobans value collaboration, openness, and honesty. Since my arrival, I have met with numerous artists and organizations to hear their thoughts on what is working and what needs to change. It came across loud and clear that MAC needs to make a stronger showing as an arts advocate. This does not have to cost anything; it just means that as a public funder we must be more conscious of our role in helping to raise the profile of the excellent work supported through our programs. It is our shared responsibility with the community itself.

The arts are how we understand ourselves, and how we reflect who we are to others. At its very best, art is a universal language of self-expression, transcending differences in language, culture, and perspective. As such, the arts are a catalyst for social change and for helping build the best future possible for Manitobans. Publicly funded art is a failsafe on democracy, too. It ensures that

artists can make art that is controversial, that asks big questions, or that makes us uncomfortable. It is part of what ensures that we have diversity of expression, that is sometimes critical or challenging. Sometimes art's goal is beauty; sometimes truth.

The arts community in Manitoba is vibrant, articulate, and audacious, with deep grass roots support. I am honoured to be here. I look forward to working with you to ensure that the arts continue to play a pivotal role in Manitoban life.

**Akoulina Connell, CEO**  
Manitoba Arts Council



## PARTNERSHIPS AND SPECIAL INITIATIVES

This year, we continued our partnership with the City of Brandon. Our visits there have resulted in a significant uptick in grant applications from the Westman Region. This year we designed special programming, including a “Meet and Eat” event to introduce the new CEO in August.

In partnership with the Manitoba Arts Network (MAN), the Manitoba Showcase was held in Morden this year. Council has ongoing partnerships with organizations and groups such as Culture Days Manitoba, Manitoba Arts Network, ArtSupport Manitoba, and the Alliance for Arts Education

in Manitoba. These partnerships extend the scope and impact of Council’s support for the arts.

Work continues to broaden public outreach, sharing the presentations of artist work at the Riding Mountain Artists’ Residency, which has now been operating for more than a decade. Other residency partnerships with New Brunswick, Quebec, Basse-Normandie, Iceland, and Churchill enjoy continued success, contributing to a broader national and international awareness of the excellent artists who live and work in Manitoba.





## Strategic Planning

MAC's Council members and staff participated in a strategic planning session led by Trevor Haldenby at Thunderbird House on October 30th and 31st, 2016. The resulting plan, *Designed to Thrive: Strategic Plan 2017-2022*, is available on our website. The focus of the new plan is on encouraging accessibility and inclusion; connecting creative communities; and championing the value of the arts to Manitobans.

## New Program Structure

As part of the strategic planning process, The Manitoba Arts Council is in the process of restructuring its programs, moving from fifty-four existing programs to a simpler framework of five main programs. A public consultation process was undertaken with meetings around the province in both official languages, in urban and rural settings, and with specific consultations for Indigenous artists. A separate consultation was held on accessibility. To support the public consultations, an online survey was conducted to gauge broader response to the new strategic plan and revised program structure. The results of this survey are available on our website.

## Arts and Learning

For over 40 years, the Manitoba Arts Council has helped foster the imagination of more than 800,000 students by bringing together the unique vision and energy of professional artists with the creative potential of students and teachers.

This year alone, over 32,000 students and 90 artists participated in 228 residencies in schools across the province.

MAC's Artists in the Schools residencies and ArtsSmarts programs forge connections between schools and local community organizations, expanding understanding of the value of local artists and the important role the arts play in creating healthy, vibrant communities. Northern, rural, and Winnipeg inner city schools receive priority with 70% of funding directed to enhancing arts education experiences for students.



## SPOTLIGHT

### Graffiti Art Programming: *ID*

Graffiti Art Programming Inc. (GAP Inc.) is a community art center dedicated to enhancing the cultural and economic well-being of the communities we serve through accessible arts programming.

With assistance from the Program Assistance in the Visual Arts grant, GAP Inc. created *ID*, a project established to provide support and development opportunities to emerging Indigenous artists in Winnipeg.

In the fall of 2016, eight artists worked with an Indigenous curator, KC Adams, to create an exhibition of their work. During the project, the artists received peer support and mentorship from the guest curator. Each participating artist had the opportunity to present a talk about their artistic practice and their creative influences on the opening night of their exhibition at the Graffiti Gallery.

GAP Inc.'s *ID* project provided a platform for these emerging artists to express themselves and contribute their unique perspectives to the wider Winnipeg arts community.

## SPOTLIGHT

### Camerata Nova: *Taken*

Camerata Nova is a vocal group that has performed a wide range of genres including Renaissance, Indigenous-infused, and contemporary music.

This year, through its operating support from the Manitoba Arts Council, Camerata Nova commissioned three Indigenous composers to write new choral works on the theme of "Taken".

The concert was first presented in Winnipeg in March 2017, and traveled to Ottawa for a performance in June 2017.

*Taken* became an opportunity for Camerata Nova to collaborate with contemporary Indigenous musicians and composers, and to contribute to the national dialogue around Truth and Reconciliation.

Collaborators of the project included singer/composer Jeremy Dutcher, rap artist Lindsay Knight, Camerata Nova artistic director Andrew Balfour, folk/throat singer Madeleine Allakariallak, and bassists Jason Klippenstein and Nicholas Urquhart. Both concerts were conducted by Mel Braun and narrated by Fred Ford.





## SPOTLIGHT

### Manitoba Chamber Orchestra: *Water Circle* by Jim Hiscott

The Manitoba Chamber Orchestra (MCO) creates and performs chamber orchestra repertoire at the highest artistic level for Manitobans, Canadians, and international audiences.

In 2016, the MCO accessed funds through the Manitoba Arts Council's Commission and Development for Grant Composers to commission a piece by composer Jim Hiscott. Hiscott's piece *Water Circle*, written for chamber orchestra and young fiddlers, bridges between 'classical' new music and traditional Manitoba fiddle music.

*Water Circle*'s premiere performance was interpreted by the MCO and the Frontier Fiddlers. Representing the best young fiddle players in Manitoba, this group is composed of students from ten remote Northern communities in the Frontier School Division.

This new composition, specifically created with young fiddlers in mind, gives both sets of musicians rewarding parts to play, while giving the audience an experience of the variety and richness implicit in Manitoban traditional music.

## SPOTLIGHT

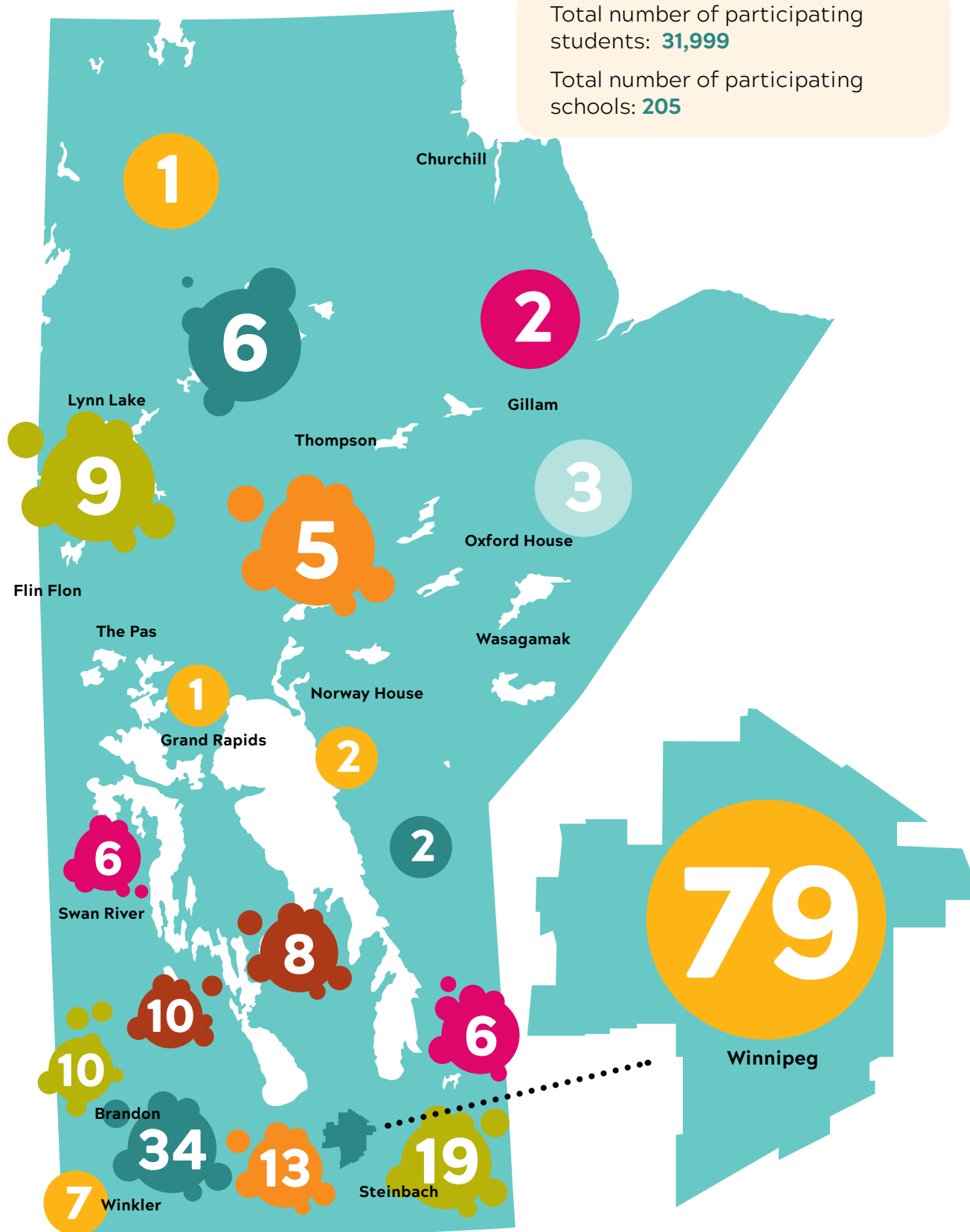
### Maurice Mierau

The Manitoba Arts Council's 2017 Major Arts Grant has been awarded to writer and poet Maurice Mierau. This grant will assist the Winnipeg-based writer to work on the manuscript of his second memoir. His last book, *Detachment: An Adoption Memoir*, was published by Freehand in 2014, and won the 2016 Kobzar Literary Award as well as the Alexander Kennedy Isbister Award for Non-Fiction.

Maurice Mierau is the author of several books of poetry, including *Fear Not*, which won the ReLit Award in 2009. He was born in Indiana, and grew up in Nigeria, Manitoba, Jamaica, Kansas, and Saskatchewan. He now lives in Winnipeg with his family.

# PROGRAM METRICS 2016-2017

## ARTS & LEARNING PROJECTS



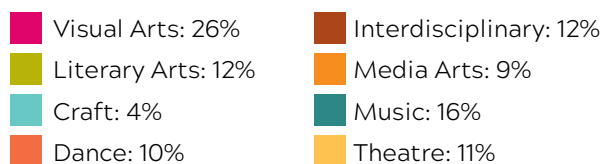


# PROGRAM METRICS 2016-2017

## GRANTS TO ARTISTES



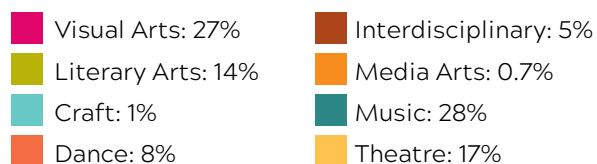
Total number of grants to artists : **217**



## GRANTS TO ORGANIZATIONS



Total number of grants to organizations : **145**



## TOTAL GRANTS FROM 2010 TO 2017

	Number of applications	Number of Awards	Application Success Rate	Amount Requested	Amount Awarded	Success Rate by Dollar
2016-2017*	1016	576	57 %	\$11,107,111	\$7,823,764	70%
2015-2016*	1308	740	57%	\$14,060,080	\$8,469,512	60%
2014-2015*	1327	828	62%	\$13,771,637	\$8,088,500	59%
2013-2014*	1266	879	69%	\$12,412,611	\$8,214,270	66%
2012-2013*	1305	921	71%	\$11,461,695	\$8,054,394	70%
2011-2012*	1339	915	68%	\$12,103,638	\$8,214,675	68%
2010-2011*	1061	695	66 %	\$11,148,997	\$8,092,300	73%

\* Approximate figures

# MANITOBA ARTS COUNCIL FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements and note disclosures are the responsibility of management of Manitoba Arts Council and have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations as issued by the Public Sector Accounting Board. The financial statements have been reviewed by the Audit/Finance/HR Committee and approved by the Council on June 27, 2017.

In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgments regarding all necessary estimates and other data available as at the date of approval of the financial statements by the Council.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived

accurately reflect all transactions and that established policies and procedures are being followed.

The financial statements have been audited by Magnus LLP, Chartered Professional Accountants, independent external auditors. The responsibility of the auditor is to express an independent opinion on whether the financial statements of Manitoba Arts Council are fairly presented, in all material respects, in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The Independent Auditor's Report outlines the scope of the audit and provides the audit opinion on the financial statements.

On behalf of Management of Manitoba Arts Council,



**Akoulina Connell**  
Chief Executive Officer

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Council of Manitoba Arts Council

### Report on the Financial Statements

We have audited the accompanying financial statements of Manitoba Arts Council, which comprise the statement of financial position as at March 31, 2017, the statements of operations, changes in fund balances and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial

statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manitoba Arts Council as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with the Canadian public sector accounting standards for government not-for-profit organizations.



**Magnus LLP**  
Chartered Professional Accountants

June 27, 2017  
Winnipeg, Canada



# STATEMENT OF FINANCIAL POSITION MARCH 31, 2017

	Grants & Programs Fund	Bridges Fund	Total 2017	Total 2016
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$435,205	\$0	\$435,205	\$328,976
Accounts receivable (NOTE 4)	1,214	0	1,214	19,750
Prepaid expenses	11,427	0	11,427	13,159
	<u>447,846</u>	<u>0</u>	<u>447,846</u>	<u>361,885</u>
Recoverable from Province of Manitoba (NOTE 9)	36,000	0	36,000	36,000
Portfolio investments (NOTE 5)	212,160	0	212,160	187,041
Capital assets (NOTE 6)	16,229	0	16,229	26,708
Interfund balances	(5,000)	5,000	0	0
<b>TOTAL ASSETS</b>	<u><b>\$707,235</b></u>	<u><b>\$5,000</b></u>	<u><b>\$712,235</b></u>	<u><b>\$611,634</b></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued liabilities (NOTE 8)	\$98,397	\$0	\$98,397	\$126,972
Commitments for grants and programs	306,175	5,000	311,175	549,806
	<u>404,572</u>	<u>5,000</u>	<u>409,572</u>	<u>676,778</u>
Employee future benefits (NOTE 9)	98,945	0	98,945	85,755
<b>FUND BALANCES:</b>				
Invested in capital assets	16,229	0	16,229	26,708
Unrestricted	187,489	0	187,489	(177,607)
	<u>203,718</u>	<u>0</u>	<u>203,718</u>	<u>(150,899)</u>
Collections (NOTE 7)				
Designated Assets (NOTE 9)				
Commitments (NOTE 10)				
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><b>\$707,235</b></u>	<u><b>\$5,000</b></u>	<u><b>\$712,235</b></u>	<u><b>\$611,634</b></u>

Approved on behalf of Council,



CHAIR



CHIEF EXECUTIVE OFFICER

The accompanying notes are an integral component of these financial statements.

# STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2017

	Grants & Programs Fund	Bridges Fund	Total 2017	Total 2016
<b>REVENUE</b>				
Province of Manitoba - Operating Grant	\$8,598,900	\$0	\$8,598,900	\$8,598,000
Province of Manitoba - Bridges Grant	0	875,000	875,000	875,000
Province of Manitoba - Manitoba Theatre Centre	0	150,000	150,000	150,000
Province of Manitoba - Manitoba Opera Association	0	0	0	300,000
Other	45,000	0	45,000	45,649
Investment Income	13,645	0	13,645	12,004
	<b>8,657,545</b>	<b>1,025,000</b>	<b>9,682,545</b>	<b>9,980,653</b>
<b>EXPENSES</b>				
<b>ORGANIZATIONS</b>				
<b>Annual &amp; Operating Grants</b>				
Arts Training Schools	162,500	0	162,500	162,500
Arts Service Organizations	94,000	0	94,000	94,000
Dance Companies	882,050	0	882,050	882,050
Music Organizations	1,197,060	0	1,197,060	1,572,060
Theatre Companies	1,657,450	150,000	1,807,450	1,807,450
Visual Arts Organizations	881,840	0	881,840	881,840
Book Publishers	268,200	0	268,200	268,200
Periodical Publishers	207,690	0	207,690	207,690
	<b>5,350,790</b>	<b>150,000</b>	<b>5,500,790</b>	<b>5,875,790</b>
<b>Touring Grants</b>	270,500	0	270,500	300,000
<b>Presentation Grants</b>	337,700	0	337,700	383,329
<b>Special Grants</b>	0	0	0	1,000
<b>Management &amp; Governance</b>	0	18,500	18,500	25,000
	<b>5,958,990</b>	<b>168,500</b>	<b>6,127,490</b>	<b>6,585,119</b>
<b>INDIVIDUALS</b>				
Professional Development Grants	194,851	0	194,851	212,104
Creation and Production Grants	573,321	0	573,321	627,433
Touring Grants	16,000	0	16,000	20,000
Aboriginal Arts Grants	0	68,000	68,000	60,000
	<b>784,172</b>	<b>68,000</b>	<b>852,172</b>	<b>919,537</b>
<b>ARTS DEVELOPMENT</b>				
Residencies	405,984	0	405,984	469,941
ArtsSmarts Projects	131,623	0	131,623	116,608
Award of Distinction	0	0	0	30,000
Special Projects	17,136	117,489	134,625	170,307
Community Connections & Access	0	151,870	151,870	158,000
Arts Education Initiatives	0	20,000	20,000	20,000
	<b>554,743</b>	<b>289,359</b>	<b>844,102</b>	<b>964,856</b>
	<b>7,297,905</b>	<b>525,859</b>	<b>7,823,764</b>	<b>8,469,512</b>
Arts Program Delivery Expenses (SCHEDULE 1)	690,436	103,729	794,165	1,080,218
	<b>7,988,341</b>	<b>629,588</b>	<b>8,617,929</b>	<b>9,549,730</b>
Administrative Expenses (SCHEDULE 2)	753,105	0	753,105	745,247
	<b>8,741,446</b>	<b>629,588</b>	<b>9,371,034</b>	<b>10,294,977</b>
Rescinded Commitments	(43,106)	0	(43,106)	(33,364)
<b>Total Expenses</b>	<b>8,698,340</b>	<b>629,588</b>	<b>9,327,928</b>	<b>10,261,613</b>
<b>(Deficiency) Excess of Revenue over Expenses</b>	<b>(\$40,795)</b>	<b>\$395,412</b>	<b>\$354,617</b>	<b>(\$280,960)</b>

The accompanying notes are an integral component of these financial statements.



# STATEMENT OF CHANGES IN FUND BALANCES YEAR ENDED MARCH 31, 2017

	GRANTS & PROGRAMS FUND		BRIDGES FUND	Total	Total
	Invested In			2017	2016
	Capital Assets	General			
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>\$26,708</b>	<b>(\$177,607)</b>	<b>\$0</b>	<b>(\$150,899)</b>	<b>\$130,061</b>
(Deficiency) Excess of Revenue over Expenses	(14,019)	(26,776)	395,412	354,617	(280,960)
Additions to Capital Assets	3,540	(3,540)	0	0	0
Interfund Transfers (NOTE 11)	0	395,412	(395,412)	0	0
<b>FUND BALANCES, END OF YEAR</b>	<b>\$16,229</b>	<b>\$187,489</b>	<b>\$0</b>	<b>\$203,718</b>	<b>(\$150,899)</b>

The accompanying notes are an integral component of these financial statements.

# STATEMENT OF CASH FLOW YEAR ENDED MARCH 31, 2017

	2017	2016
<b>CASH PROVIDED BY (APPLIED TO)</b>		
<b>Operating activities:</b>		
Excess (Deficiency) of Revenue over Expenses	\$354,617	(\$280,960)
Adjustment for:		
Amortization of capital assets	14,019	14,338
	368,636	(266,622)
Changes in the following:		
Accounts receivable	18,536	(16,695)
Prepaid expenses	1,732	125,473
Accounts payable and accrued liabilities	(28,575)	(6,798)
Commitments for grants and programs	(238,631)	123,429
Employee future benefits	13,190	11,852
	(233,748)	237,261
Cash provided by (applied to) operating activities	134,888	(29,361)
<b>Investing activities:</b>		
Change in portfolio investments	(25,119)	16,557
Cash (applied to) provided by investing activities	(25,119)	16,557
<b>Capital activities:</b>		
Acquisition of capital assets	(3,540)	(18,567)
Cash (applied to) capital activities	(3,540)	(18,567)
Change in cash and cash equivalents	106,229	(31,371)
<b>Cash and cash equivalents, beginning of year</b>	<b>328,976</b>	<b>360,347</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$435,205</b>	<b>\$328,976</b>

The accompanying notes are an integral component of these financial statements.

## 1. Nature of Organization

The *Arts Council Act* established the Manitoba Arts Council (the "Council") in 1965 to "...promote the study, enjoyment, production and performance of works in the arts." The Council is a registered charity (public foundation) and, as such, is exempt from income taxes pursuant to *The Income Tax Act* (Canada).

## 2. Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board, including the standards available to government not-for-profit organizations (PS 4200 - PS 4270).

## 3. Summary of Significant Accounting Policies

### (a) Fund Accounting

The financial statements disclose the activities of the following funds maintained by the Council:

#### (i) Grants & Program Fund

This fund reflects the disbursement and administration of grants and programs in the spirit of the aims and objects of the Council as defined in *The Arts Council Act*.

#### (ii) Bridges Fund

This fund was established in June of 1999 to generate new initiatives in art development and practice, enhance public access to the arts and enhance administrative and governance skills for arts organizations. As well, the program will encourage new partnerships, provide more opportunities for professional development and assist in audience development. The excess of revenue over expenses, if any, is transferred to the Grants & Programs Fund at an amount as determined by the Council to fulfill similar goals and objectives.

## (b) Revenue Recognition

### (i) Contributions

The Council follows the deferral method of accounting for contributions. Externally restricted contributions are deferred and recognized as revenue in the applicable fund in the year in which the related expenses are incurred. Unrestricted and internally restricted contributions are recognized as revenue in the applicable fund when received or receivable and when collection is reasonably assured.

### (ii) Investment Income

Investment income is recognized on the accrual basis.

## (c) Expenses

All expenses incurred are recognized on the accrual basis when the related goods or services are received.

## (d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short term deposits and investments with original maturities of three months or less.

## (e) Accounts Receivable

Accounts receivable are recorded at the lower of cost and net realizable value. An allowance for doubtful accounts is recorded when there is uncertainty whether the amounts will be collected.

## (f) Portfolio Investments

Portfolio investments include term deposits and investments with original maturities greater than three months. These investments are recognized at cost.

## (g) Capital Assets

Capital assets are recognized at cost. Cost includes the purchase price and other acquisition costs. The costs of capital assets, less any residual value, are amortized over their estimated useful lives as follows: Office furniture and equipment 5-10 years straight-line  
Computer hardware and software 3 years straight-line

## (h) Collections of Musical Instruments and Works of Visual Art

The Council has collections of musical instruments and works of visual art which are not recognized in the financial statements. See Note 7 for information relating to the Council's collections.



### 3. Summary of Significant Accounting Policies (continued)

#### (i) Liabilities

Liabilities are present obligations as a result of transactions and events occurring at or prior to the end of the fiscal year, the settlement of which will result in the future transfer or use of assets or other form of settlement. Liabilities are recognized when there is an appropriate basis of measurement and a reasonable estimate can be made of the amount involved.

#### (j) Commitments for Grants and Programs

Grants and program commitments are recognized as expenses when funding is formally approved and committed by the Council. Cancellations of prior years' grant expenses are reflected as rescinded commitments in the statement of operations in the year of cancellation.

#### (k) Financial Instruments - Measurement

Financial instruments are classified into one of two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Council records its financial assets at cost, which include cash and cash equivalents, accounts receivable, portfolio investments and recoverable from the Province of Manitoba. The Council also records its financial liabilities at cost, which include accounts payable and accrued liabilities and commitments for grants and programs.

Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs. Gains and losses on any financial instruments measured at fair value are recorded in accumulated surplus as remeasurement gains and losses until realized; upon disposition of the financial instruments, the cumulative remeasurement gains and losses are reclassified to the statement of operations.

#### (l) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are recognized in the period they become known. Actual results may differ from these estimates.

### 4. Accounts Receivable

Accounts receivable at March 31 is comprised of the following:

	2017	2016
Accrued interest	\$1,156	\$1,328
Due from the Province of Manitoba	0	17,504
Other receivables	58	918
	<u>\$1,214</u>	<u>\$19,750</u>

### 5. Portfolio investments

As at March 31, 2017, the market value of the Council's portfolio investments is \$211,786 (2016 - \$188,365).

### 6. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture and equipment	\$133,730	\$133,041	\$689	\$1,795
Computer hardware and software	524,294	508,754	15,540	24,913
	<u>\$658,024</u>	<u>\$641,795</u>	<u>\$16,229</u>	<u>\$26,708</u>

### 7. Collections

#### Works of Visual Art

The Council's collection of works of visual art is comprised of 399 pieces of art currently in the care of the Arts Gallery of Southwestern Manitoba in Brandon, Manitoba and at Council's Winnipeg, Manitoba office. There were no acquisitions or disposals of collection items during the year (2016 - \$nil). Total expenditures on collection items during the year were \$2,662 for framing and repairs (2016 - \$nil). The most recent appraisal of the visual art collection was completed in 2005 indicating a market value of \$449,222.

#### Musical Instruments

The Manitoba Arts Council jointly owns a collection of stringed instruments with the Universities of Manitoba and Brandon, Schools of Music which are for the exclusive use of the students. There were no acquisitions, disposals or expenditures on stringed instruments during the year (2016 - \$nil). The most recent valuation of these instruments indicated a value of \$424,770.

## 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at March 31 is comprised of the following:

	2017	2016
Trade payables and accruals	\$17,333	\$27,856
Accrued vacation entitlements	79,012	96,317
Accrued overtime entitlements	1,195	1,545
Other accruals	857	1,254
	<u>\$98,397</u>	<u>\$126,972</u>

## 9. Employee Future Benefits

### Pension Benefits

Employees of the Council are provided pension benefits as a result of the participation of its eligible employees in the *Civil Service Superannuation Act* (CSSA). The Council participates on a fully funded basis and its contributions of \$59,900 (2016 - \$57,440) represents the total pension expense for the year. Pursuant to the CSSA, the Council has no further liability for pension benefits as at year end.

### Severance Liability

Effective March 31, 1999, Manitoba Arts Council, as a Crown organization, is required to record a severance liability. The Province of Manitoba has recognized an opening liability of \$36,000 as at April 1, 1998 and the Council has recorded a corresponding recoverable from the Province; this recoverable from the Province is designated for future severance obligations of the Council. Any subsequent changes to the severance liability is the responsibility of the Council. As at March 31, 2017, the Council recorded a severance liability of \$98,945 (2016 - \$85,755) based on the provisions of its Employee Handbook and management's best assumptions regarding severance rates and compensation increases. The assumptions used parallel those used by the Province of Manitoba and include a 6% rate of return and 3.75% annual salary increases. The liability is based on actuarial calculations and is updated annually based on a formula included in the most recent actuarial valuation dated December 31, 2013.

The severance liability as at March 31 includes the following components:

	2017	2016
Severance liability, beginning of year	\$85,755	\$73,903
Actuarial (gains) losses	-	-
Interest cost	5,146	4,434
Current service cost	8,044	7,418
Severance benefits paid during the year	-	-
	<u>98,945</u>	<u>85,755</u>
Less: Unamortized actuarial (gains) losses	-	-
Severance liability, end of year	<u>\$98,945</u>	<u>\$85,755</u>

As at March 31, 2017, the total obligation for severance benefits for employees not participating in the CSSA is \$nil (2016 - \$nil). During the year ended March 31, 2017, \$nil severance or retirement benefits were paid to employees not part of the CSSA (2016 - \$32,125).

## 10. Commitments

The Council is committed pursuant to a lease renewal agreement for its office premises for ten years commencing April 1, 2012 and expiring March 31, 2022. Total annual basic rent payments pursuant to the lease renewal agreement are \$116,342 with expenses arising from an escalation clause for taxes, insurance, utilities and building maintenance being in addition to the basic rent. Total annual rent for 2017 was \$130,259. The 2018 annual rent is estimated to be \$131,160.

## 11. Interfund Transfers and Internally Restricted Fund Balances

As at March 31, 2017, there were no internally restricted funds allocated to programs (2016 - \$nil). During the year, \$395,412 (2016 - \$209,916) was transferred from the Bridges Fund to the Grants & Programs Fund in order to fund the cash outlays for Grants to Organizations and Arts Development Grants for the year.

## 12. Financial Instruments and Financial Risk Management

The Council does not have any significant financial instruments subsequently measured at fair value or denominated in a foreign currency therefore the Council did not incur any remeasurement gains or losses during the year (2016 - \$nil).

### Financial Risk Management - Overview

The Council has exposure to the following risks resulting from its financial instruments: credit risk; liquidity risk; market risk; interest rate risk; and foreign currency risk.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Council to credit risk consist primarily of cash and cash equivalents, accounts receivable, portfolio investments and recoverable from the Province of Manitoba.

The maximum exposure of the Council to credit risk at March 31 is:

	2017	2016
Cash and cash equivalents	\$435,205	\$328,976
Accounts receivable	1,214	19,750
Portfolio investments	212,160	187,041
Recoverable from the Province of Manitoba	36,000	36,000
	<u>\$684,579</u>	<u>\$571,767</u>

#### Cash and Cash Equivalents and Portfolio Investments

The Council is not exposed to significant credit risk as these amounts are held by a reputable Canadian financial institution and the Minister of Finance.

#### Accounts Receivable and Recoverable from the Province of Manitoba

The Council is not exposed to significant credit risk as any significant balances are due from the Province of Manitoba. The Council manages this credit risk by close monitoring and follow up of any overdue accounts. When necessary, the Council establishes an allowance for doubtful accounts that represent its estimate of potential credit losses. The balance in the allowance for doubtful accounts as at March 31, 2017 is \$nil (2016 - \$nil).

#### Liquidity Risk

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they come due. The Council manages liquidity risk by maintaining adequate cash balances to meet its obligations.

#### Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Council's results of operations or the fair values of its financial instruments.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and cash equivalents and portfolio investments.

The interest rate risk on cash and cash equivalents is considered to be low because of their short-term nature. The interest rate risk on portfolio investments is considered to be low because the original deposits and investments are reinvested at similar rates with similar terms and conditions.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Council is not exposed to foreign currency risk as it does not have any significant financial instruments denominated in a foreign currency.



# SCHEDULE 1 - ARTS PROGRAM DELIVERY EXPENSES

YEAR ENDED MARCH 31, 2017

	Grants & Programs Fund	Bridges Fund	Total 2017	Total 2016
Salaries and benefits	\$517,049	\$80,488	\$597,537	\$860,101
Jurors' fees and expenses	53,242	7,788	61,030	69,700
Rent	65,130	13,026	78,156	77,166
Communications	32,743	0	32,743	31,600
Staff travel and expenses	2,322	427	2,749	18,294
Postage, courier and telephone	8,696	1,868	10,564	12,174
Office supplies	920	132	1,052	1,183
Sundry	257	0	257	0
Memberships & partnerships	10,077	0	10,077	10,000
	<b>\$690,436</b>	<b>\$103,729</b>	<b>\$794,165</b>	<b>\$1,080,218</b>

# SCHEDULE 2 - ADMINISTRATIVE EXPENSES

YEAR ENDED MARCH 31, 2016

	Grants & Programs Fund	
	2017	2016
Salaries and benefits	\$458,825	\$474,230
Council expenses	42,404	34,319
Rent	61,694	51,484
Postage, courier and telephone	12,225	10,189
Office supplies, printing and stationery	9,945	13,791
Communications:		
Recruitment costs	18	699
Advocacy	3,639	298
Annual report	8,077	10,184
Strategic planning	20,890	0
Amortization	14,019	14,338
Equipment repairs and maintenance	45,981	23,449
Professional fees	25,281	64,968
Memberships and subscriptions	14,582	15,496
Insurance and sundry	9,508	4,770
Staff travel and expenses	7,362	12,032
Other (Art Bank Administration)	18,655	15,000
	<b>\$753,105</b>	<b>\$745,247</b>