

MANITOBA ARTS COUNCIL



MANITOBA ARTS COUNCIL
CONSEIL DES ARTS DU MANITOBA
YEARS/ANS



06/07
Annual Report

Mission

The Manitoba Arts Council is an arm's-length agency of the provincial government dedicated to artistic excellence. We offer a broad-based granting program for professional artists and arts organizations. We will promote, preserve, support and advocate for the arts as essential to the quality of life of all the people of Manitoba.

Vision

The Manitoba Arts Council envisions a province with a creative spirit brought about by arts at the heart of community life where:

- » Manitobans value a range of artistic and cultural expression;
- » The arts are energetically promoted as an essential component of educational excellence; and
- » The arts landscape is characterized by province-wide participation that spans our diverse people and communities.

Mandate

In accordance with the Memorandum of Understanding with the Province, Council supports the professional arts of demonstrated or potential artistic excellence for individuals, groups and organizations; including funding for arts training institutions, professional assessment, professional development, artists in the schools, and touring.

Values

The vision, mission and goals of the Manitoba Arts Council will be guided by the following core 10 values:

- EXCELLENCE** In the arts and in our program administration and delivery.
- DIVERSITY** To foster greater inclusiveness in and of the arts.
- TRANSPARENCY** In dealing with our clients and publics.
- LEADERSHIP** In our thinking and actions.
- INNOVATION** To think broadly, creatively and long-term.
- COMMUNICATION** To provide meaningful information to our clients and publics.
- CONSULTATION** To work in cooperation and partnership with our clients and publics.
- COMMITMENT** To our clients and to the fulfillment of our goals.
- RESPECT** To honour the uniqueness of our clients through fairness and equity.
- INTEGRITY** To demonstrate honesty in all of our dealings with clients and publics.

TABLE OF CONTENTS

- 1 LETTER TO PREMIER
- 2-3 REPORT FROM THE CHAIR
- 3 REPORT FROM THE EXECUTIVE DIRECTOR
- 4-5 GOAL: ENCOURAGE ARTISTIC EXCELLENCE
- 5-6 GOAL: PROMOTE THE ARTS
- 6 GOAL: SUPPORT CULTURAL DIVERSITY
- 7 GOAL: INCREASE ARTS EDUCATION
- 8 STRATEGIC PLAN 2007/2010
- 9 AGANETHA DYCK:
MANITOBA ARTS AWARD OF DISTINCTION RECIPIENT
- 10 COUNCIL AND STAFF
- 11-18 FINANCIALS
- 19-38 GRANT LISTINGS

Letter to the Premier

525-93 Lombard Avenue
Winnipeg, Manitoba
Canada R3B 3B1
204 945 2237
204 945 5925

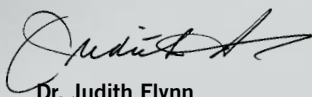
September 15, 2007

The Honourable Gary Doer,
Premier and President of the Executive Council

Dear Sir,

In accordance with the provisions of An Act to Establish the Manitoba Arts Council, I present this report on behalf of the members of the Manitoba Arts Council, covering the activities of the Council from April 1, 2006 to March 31, 2007.

Sincerely,



Dr. Judith Flynn

CHAIR





Report from the Chair

The Manitoba Arts Council is marking its 40th anniversary over four-years with festivities culminating in fall 2009. This gradual easing into turning 40 (an option, alas, not open to us as individuals) gives us time both to reflect on our growth as a Council and to anticipate challenges and opportunities that will affect our future activities.

CELEBRATE ARTS EXPERIENCES

This year MAC held its annual retreat in Portage la Prairie and confirmed Council's commitment to public engagement in the arts, as it relates to our 40th anniversary celebrations. Public engagement was the primary topic of two recent conferences I attended. This new emphasis represents a worldwide trend, and I think it is one of the most exciting and inspiring developments in the world of public arts funding that I've ever seen.

We've spent years trying to justify the value of the arts to governments and corporations by talking about the economic benefits of the arts, or about its therapeutic value to youth at risk, or by citing job statistics and so on. Everyone has heard the arguments, including the political and corporate communities.

But there's been a turning away from this kind of utilitarian justification of the arts to the much more ancient one of valuing the arts for their own sake, as an essential component of our humanity. The arts, more than any other human endeavour, depend upon the employment of the human imagination, and in a kind of wonderful loop, the arts develop and nourish the imagination.

Public funders need to see the public we serve as comprising far more than the artists, arts organizations, and usual patrons of the arts. We have to recognize the existence of that vast web of humanity and we have to find ways of connecting with every part we can, not in the usual and somewhat condescending form of outreach, but as partners in "the co-construction of public value." And to do that, we're going to have to call upon our imaginations as creatively as we can.

At the retreat Council also finalized a new strategic plan, and while our major goals have remained unchanged in principle, they have been restated and clarified.

The new strategic plan is the result of significant input from all of Council's working groups and committees. As well, our Arts Advisory Panel, which is elected by the arts community, continues to inform us about the community's responses and reactions to our various proposals. The new strategic plan will be shared with them in spring 2007.

We are also very pleased to welcome an addition to the membership of the Arts Advisory Panel: Joan Seddon, Executive Director of the Leaf Rapids National Exhibition Centre will be the new representative for Northern Manitoba.

CELEBRATE ARTISTS

The results of the Review of Support to Manitoba Artists are now posted on the home page of our website at www.artscouncil.mb.ca. On behalf of Council, I would like to thank everyone who responded to the survey. Council will now determine the most effective and efficient way to use the recommendations.

This year MAC celebrated the career accomplishments of senior visual artist Aganetha Dyck, recipient of the Manitoba Arts Award of Distinction. We are highlighting Aganetha's impressive 30-year career throughout our annual report, and as we celebrate our 40 years, we also celebrate the extraordinary accomplishments of other professional artists, who, like her, exemplify the effect our granting process can achieve. Aganetha received her first MAC grant over 20 years ago, and we hope to continue to play a part in her growth as an artist as she represents Manitoba on both the national and international stage.

This year, we were also very pleased to award seven Major Arts Grants totalling \$159,000 to artists in a variety of disciplines. The grants, worth up to \$25,000 each, enable the artists to concentrate on a significant project for up to one year. To view biographies of the recipients, please visit the website.

Report from the Executive Director

CELEBRATE COUNCIL

This year we said good-bye to Board member Duncan Mccredi and welcomed two new members, Keith Bellamy and Brennan Manoakesik to Council. I would like to thank all members, past and present, for their continued dedication to the arts in our province. We are looking forward to another successful year of celebrating our artists and our commitment to assisting all the people of Manitoba to enjoy active engagements in the arts.

At this time, I would like to extend Council's gratitude and appreciation to Douglas Riske, Executive Director, for his organizational leadership and vision. I would also like to thank MAC staff for their continued dedication to the arts and to the work of Council.

Over the next two years as we celebrate forty years of support to the arts, I encourage you to celebrate with us.



Dr. Judith Flynn

CHAIR

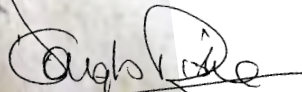
In the Chair's 2006/07 Report, Judith Flynn refers to a "worldwide trend" in which public engagement in the arts and the public value of the arts are driving changes to funding patterns. At a recent arts agency conference, it was Andrew Taylor, Director of the Bloz Center for Arts Administration at the University of Wisconsin-Madison, who challenged arts funders "to define and describe" their blueprint for success, to examine the structures that serve or sabotage it, describe the larger structures that might be supporting or distorting the vision and to foster a "culture of architects." How do a Council board, the executive leadership and staff collaborate and learn together to "work towards the same world?"

The discussion of these trends and patterns at Council's annual retreat in fall 2006 affected Council's planning process. However, in a very practical sense, the year 2006/07 was a transition year for the Council as the strategies developed for the period 2001 to 2006 were completed and reviewed. Council's committees and working groups reviewed current goals and objectives in an extensive and exhaustive manner designed to confirm or redefine the shape and size of Council's support to the arts and artists of Manitoba.

In March of 2007, Council executive staff then helped shape the results of Council's work into a new Strategic Plan for 2007 to 2010 with a detailed Business Plan to follow.

The staff of the Council is a dedicated and professional team that continues to learn and grow as individuals and as a group of "architects" as we build and support the professional arts and communities of Manitoba.

The following annual report against objectives completes the previous plan and is followed by a short version of the new plan that will guide the organization for the next three years.



Douglas Riske

EXECUTIVE DIRECTOR



DRAWING WITH THE BEES, AGNETHA DYCK / PHOTO BY PETER DYCK





GOAL

Encourage Artistic Excellence

OBJECTIVES FOR 2006/2007

- a) **MAC has completed a full revision of all annual/ operating policies involving the community in both the design and implementation of all changes which include: a holistic, weighted assessment process; equitable funding structure; measurable standards and outcomes; links to arts education and community connections initiatives; stabilization initiatives; multi-year funding agreements; and the role of the artist.**

ACTIONS TAKEN TO MARCH 2007:

A full review of support to professional arts organizations began in 2002/03 and has continued with significant changes to guidelines, criteria and delivery throughout this period.

The work of a Policy Advisor with staff input, research and community consultations has resulted in creative and responsive changes to relationships between the Council and client organizations.

A pilot multi-party funding agreement was negotiated with one major organization and plans were made for the delivery of up to five agreements in the coming year.

Changes to visual arts operating policies were made in consultation with the community.

Plans have been made to complete changes to operating policies within the next year.

MAC continued to support organizations in transition through assessment and technical assistance initiatives.

MAC's annual operating budget for 2006-2007 was 9.5 million.

In 2006-2007, MAC awarded a total of 5.4 million in annual operating funding towards 49 professional arts organizations, large and small.

As at December 31, 2006 the total budget of MAC funded organizations was \$37,114,755. The number of performances, exhibits or publications produced by these organizations was 4357 with a total audience or sales (publishing) of 1,354,349.

MAC funded organizations employ a total of 2287 staff with a total payroll of \$20,879,845.

Total MAC funding to these organizations represents 14.2% of their total revenues. Total public funding of \$13,615,679 represents 36.68% and total Canada Council for the Arts funding of \$4,208,365 represents 11.33%. Total private funding of \$6,980,649 represents 18.8% of total revenues.

- b) **MAC has implemented policies to ensure support for professional Manitoba artists at all stages of their career including: the revised Major Arts Award; increased assistance to individuals to improve access to rural and northern Manitoba; and, new programs addressing the continuum of funding artists from emerging to senior, developed after consultation with the community.**

ACTIONS TAKEN TO MARCH 2007:

MAC's Review of Support to Manitoba Artists was completed with proposals going to Council for feedback followed by a full staff analysis of the results and recommendations.

- » Operational issues requiring adjustment and/or change are being addressed and implemented in a timely fashion.
- » The full review was taken to the Arts Advisory Panel for input.
- » Further recommendations for change will follow from staff within the year.

MAC implemented the Deep Bay Artists' Residency in Riding Mountain National Park of Canada, in partnership with Parks Canada with the first residencies completed through the summer of 2006.

"It's difficult to put into words the impact that the Deep Bay Residency had upon me and my art practise. The early morning solitude created a contemplative space in which new ideas just flowed...it was the perfect spot to explore and expand my ideas about nature, the human body and the technological world. I know I sounds a little over the top but it was an experience I won't forget."
– Reva Stone, Deep Bay Artist in Residence, 2006.

GOAL

Promote the Arts

OBJECTIVES FOR 2006 – 2007

- c) MAC has in place a continuing assessment of the short and long-term impact of support to individuals on the artist and the community.**

ACTIONS TAKEN TO MARCH 2007:

This action will follow from the results of the Review of Support to Manitoba Artists.

- d) MAC has completed an assessment of the peer assessment process and is implementing recommendations after consultations with the community.**

ACTIONS TAKEN TO MARCH 2007:

This action will be considered as part of the follow up to the Review of Support to Manitoba Artists.

- e) MAC has established policies to ensure efficient, accurate program delivery of all Council programs with the maximum number of dollars designated for the creation and production of art.**

ACTIONS TAKEN TO MARCH 2007:

The Director of Granting Programs continued to lead the redefinition, development, delivery and evaluation of Council programs.

MAC created a new position to provide support for the efficient and effective delivery of all Council programs and services. Mary Lou McGurran joined the Council in September of 2006 as Director of Operations.

In 2006 - 2007, MAC received 125 requests from first-time individual applicants (not including requests for student bursaries) and awarded 353 grants. A total of \$1,395,203 was allotted to individual projects.

Of the individual grants awarded in 2006 - 2007, 82% were awarded to artists residing in the Winnipeg region and 18% went to artists beyond the perimeter.

In 2006 - 2007, MAC utilized over 122 jurors and assessors from 25 cities in seven provinces and one from the United States.

- a) Level of awareness and profile of professional artists and arts organizations increased in communities throughout Manitoba.**

ACTIONS TAKEN TO MARCH 2007:

MAC continued the development of a multi-level advocacy plan including opportunities to celebrate MAC's 40th anniversary over the next two years.

MAC supported the second annual Arts and Culture Week, as initiated by the Manitoba Arts Network and proclaimed by Culture, Heritage and Tourism Minister, Eric Robinson.

MAC awarded seven Major Arts Grants in 2006-2007 totalling \$159,000.

MAC recognized the career accomplishments of senior visual artist Aganetha Dyck, recipient of the \$30,000 Manitoba Arts Award of Distinction in a public reception at The Winnipeg Art Gallery.

MAC delivered information sessions on programming in the Winnipeg region and throughout rural areas.

- b) Increased active support for arts-related activity throughout Manitoba and expanded cultural tourism.**

ACTIONS TAKEN TO MARCH 2007:

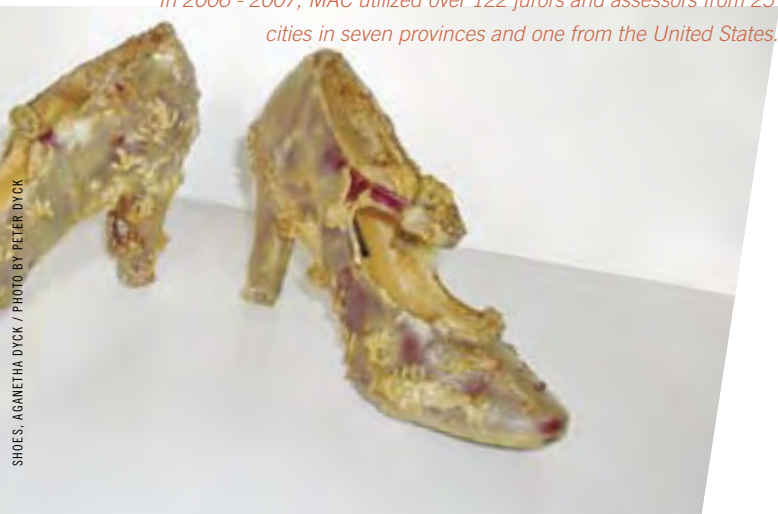
MAC completed its study of arts participation demographics with an aim to assist participating organizations to develop increased audience bases.

- c) Increased media coverage about the arts throughout the province.**

ACTIONS TAKEN TO MARCH 2007:

MAC instituted regular press releases to rural media on Artists in the Schools visits to area schools.

Media coverage of MAC in 2006/2007 was positive, with a total of 79 stories (print/radio/television) reflective of the diversity of arts issues.



SHOES, AGANETHA DYCK / PHOTO BY PETER DYCK



GOAL

Support Cultural Diversity

d) MAC's website is the major link between Manitoba artists and communities and MAC.

ACTIONS TAKEN TO MARCH 2007:

Registration forms for individual grant programs and grant recipient listings are now available online, as well as a variety of new functions of interest to Manitoba artists.

In 2006 - 2007 the Aboriginal Arts Program funded a total of 30 Aboriginal artists, 18 of whom were rural based, to a total of \$117,642.

In 2006 - 2007 Community Connections grants of \$74,968 were awarded to under-served or disadvantaged groups as follows: disabled; ethnocultural; rural; northern; Aboriginal; youth; as well as artist-in-the-community development.

OBJECTIVES FOR 2006 - 2007

a) Council's programs represent the demographic, cultural, intellectual, social and spiritual diversity of the province.

ACTIONS TAKEN TO MARCH 2007:

MAC's Review of Support to Manitoba Artists considered the diversity of artists in Manitoba in its format and delivery with appropriate results to be used in considering policy and operational change.

b) Aboriginal artists and arts organizations have access to MAC programs, which are designed to meet the specific needs of the artist and the community.

ACTIONS TAKEN TO MARCH 2007:

MAC's Aboriginal Arts Programs continued to be delivered throughout the province with targeted visits by the Consultants to various communities.

c) MAC has complementary programs designed to serve the needs of the multi-cultural professional arts community.

ACTIONS TAKEN TO MARCH 2007:

Plans were developed late in the year for consultations with funding partners supporting arts initiatives in Manitoba's ethno-cultural community.

d) MAC has a continuing program designed to meet the needs of professional artists and arts organizations in northern and rural communities.

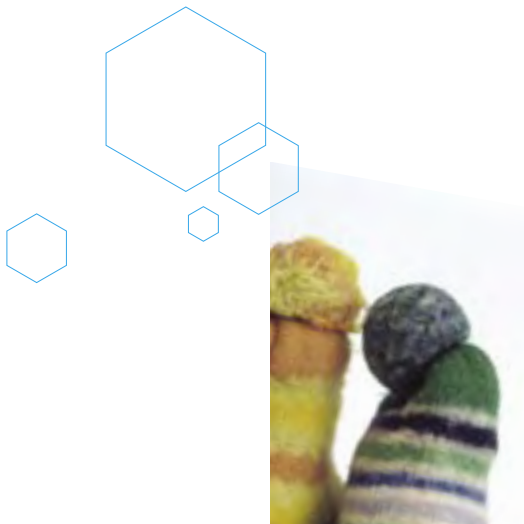
ACTIONS TAKEN TO MARCH 2007:

MAC's Community Connections and Access Consultant has engaged and involved artists and communities throughout the province in a proactive manner designed to increase access.

e) MAC has a system in place for tracking applications to ensure increased and improved access for all diverse communities in the province.

ACTIONS TAKEN TO MARCH 2007:

Research continued to determine how to request, receive and track information while integrating all necessary personal information confidentiality requirements.



GOAL

Increase Arts Education

OBJECTIVES FOR 2006 - 2007

- a) **MAC provides lifelong learning in the arts by providing support and leadership in arts education through ensuring arts education experiences are available throughout the province on a regular and timely basis.**

ACTIONS TAKEN TO MARCH 2007:

The Artists in the Schools (AIS) program and ArtsSmarts continued to offer arts education experiences and residencies to schools throughout the province with improved access and delivery systems in place.

The first two-day professional development workshop for AIS artists was held at the beginning of 2007 with over 40 artists participating.

MAC continued to support the Alliance for Arts Education in Manitoba in the development of a provincial arts education advocacy campaign.

- b) **All students in Manitoba schools are ensured a strong education in and through the arts.**

ACTIONS TAKEN TO MARCH 2007:

MAC continued to be involved in consultations regarding the development of new curriculum for the arts in Manitoba.

- c) **MAC organizational operating policies emphasize comprehensive arts education programs and initiatives as essential criteria in assessing arts organizations.**

ACTIONS TAKEN TO MARCH 2007:

MAC continued to monitor arts education programs and initiatives undertaken by MAC-supported arts organizations.



HOCKEY NIGHT IN CANADA, AGANETHA DYCK / PHOTO BY PETER DYCK

From September 2006 to June 2007, 185 Artist-in-the-Schools short and long-term residencies were held by 46 artists. The total number of schools visited in Winnipeg were 59, and 126 schools outside the perimeter benefited from the AIS program. In total, 25,816 students took part in the AIS program.





Strategic Plan 2007/10

GOAL

The Manitoba Arts Council will recognize and encourage artistic excellence, creativity and innovation.

OBJECTIVES

- a) Manitoba's professional arts sector is vibrant and innovative.
- b) Arts organizations in Manitoba are healthy and sustainable.
- c) Individual artists have rewarding and sustainable careers.

GOAL

The Manitoba Arts Council will be a leader in the arts community and promote the value of the arts at the heart of community life.

OBJECTIVES

- a) Public policy stakeholders consider the public value of the arts when making policy decisions.
- b) Community support for the arts is shown through high levels of participation, attendance, volunteerism, and stewardship.
- c) Manitobans are aware of the important contributions that the artists and arts organizations make to our province.
- d) MAC has multi faceted partnerships with an array of organizations to achieve its goals.

GOAL

The Manitoba Arts Council will encourage opportunities in the arts that reflect the cultural diversity and the Aboriginal and Franco-Manitoban identity of the province.

OBJECTIVES

- a) Manitoba's professional arts sector is diverse and inclusive.
- b) Artists from Manitoba's diverse communities have full access to MAC's programs.
- c) The professional arts from a range of communities and artistic practises are recognized, supported and valued regionally, nationally and internationally.

GOAL

The Manitoba Arts Council will support opportunities for all Manitobans to engage in and experience arts and cultural activities.

OBJECTIVES

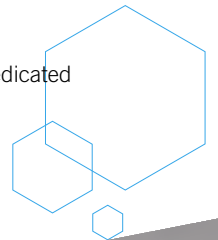
- a) Manitobans recognize the value of a quality art education including high-quality arts training, experiences and involvement in a diversity of traditions and disciplines.
- b) Manitobans have access to frequent, diverse and high-quality arts experiences.

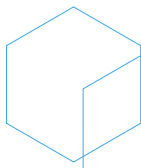
GOAL

The Manitoba Arts Council will manage resources in an effective, accountable and transparent fashion.

OBJECTIVES

- a) MAC services reflect our values of respect, integrity, consolation and communication.
- b) MAC is a sound steward of provincial funds.
- c) MAC's staff is highly motivated, qualified, dedicated and appropriately compensated.





Aganetha Dyck



Aganetha Dyck is the fifth recipient of the Manitoba Arts Council Arts Award of Distinction, a \$30,000 award that is presented annually to recognize the highest level of artistic excellence and distinguished career achievements by a professional Manitoba artist. When Council created the Manitoba Arts Award of Distinction, the intent was to celebrate the careers and achievements of senior Manitoba artists who represent the creative heart of our province and represent us on the national and international scene. Aganetha exemplifies the spirit of this award and we are honoured to celebrate her exceptional career.

Born in Winnipeg, Aganetha has shown her work extensively in over 30 solo exhibitions and numerous group exhibitions across Canada and internationally. Perhaps best known for her collaborative work with live honeybees, Aganetha's most recent practice has concentrated on placing ordinary household objects in beehives, allowing the bees to become her artistic partners by adding wax sculptures to the objects. In addition to her recognized excellence in the visual arts, Aganetha has played a vital part in the growth and advancement of the arts community in Manitoba. Aganetha currently sits on the Board of Directors of Plug In Gallery and she has devoted over twenty years as a mentor at MAWA (Mentoring Artists for Women's Art).

1975-76

First solo exhibition at The MacKenzie art gallery, Regina, Saskatchewan

1979

First solo exhibition in Winnipeg at the former Arthur Street Gallery - *Sizes 8-46 - Shrunken Clothing*

1985

The Large Cupboard - Canned buttons, exhibition at The Winnipeg Art Gallery. Aganetha received The Leon A. Brown award from The Winnipeg Art Gallery that same year

1985

Aganetha became one of the first mentors for Mentoring Artists for Women's Art

1986

Aganetha received her first MAC grant. MAC funded projects, including - *Hand Held: Between Index and Middle Finger*; *Drawing with the Bees*; *Sports Night in Canada*; and *The Extended Wedding Party* resulted in many exhibitions in Canada and abroad

1990

Aganetha's first collaboration with the bees

1995

The Extended Wedding Party exhibition at The Winnipeg Art Gallery. This one-person exhibition toured to eight Canadian venues.

2007

Aganetha was named the fifth recipient of the MAC Award of Distinction. She also received the Governor General's Award for Visual and Media Art that same year.

"The Manitoba Arts Council granting system is the reason I could work freely, full time and produce strong art works. This funding was imperative to my successful art career."

Aganetha Dyck.





Council and Staff

MEMBERS OF COUNCIL

Judith Flynn
CHAIR, WINNIPEG

Coralie Bryant
VICE-CHAIR, WINNIPEG

Keith Bellamy
WINNIPEG

Jan Brancewicz
BRANDON

Liz Coffman
WINNIPEG

Michael Elves
WINNIPEG

Robert Freynet
SAINTE-ANNE

Suzanne Gillies
WINNIPEG

Lucien Loiselle
WINNIPEG

Brennan Manoakeesik
WINNIPEG

Duncan Mercredi*
WINNIPEG, *until May 06*

Addie Penner
WINNIPEG

Pam Rebello
WINNIPEG

Dr. Lea Stogdale
WINNIPEG

Nola Wuttunee
WINNIPEG

STAFF

Douglas Riske
EXECUTIVE DIRECTOR

Georgie Aldrich
PROGRAM ASSISTANT

Michelle Beaudry
RECEPTIONIST/
COMMUNICATIONS ASSISTANT
until Nov 06

Marian Butler
PROGRAM CONSULTANT
Visual Arts, Film & Video

Joel Crisp
NETWORK ADMINISTRATOR

Jazz de Montigny
PROGRAM CONSULTANT
Aboriginal Arts & Dance
until Dec 06

Linda Eagleton
PROGRAM ASSISTANT

Shirley Elias
PROGRAM CONSULTANT
Organizations & Music
until Jun 06

Darla Gauthier
COMMUNICATIONS COORDINATOR

Debbie Gerard
RECEPTIONIST/
COMMUNICATIONS ASSISTANT

Nora Heitmann
EXECUTIVE ASSISTANT

Sue Hemphill
PROGRAM CONSULTANT
Access & Community Development
until May 06

Susan Israel
PROGRAM CONSULTANT
Theatre, Touring &
Artists in the Schools

Mary Lou McGurran
DIRECTOR OF OPERATIONS

Dana Mohr
MANAGER, COMMUNICATIONS
until Apr 06

Erin O'Hara
POLICY ADVISOR
until Aug 06

Kristen Pauch-Nolin
PROGRAM CONSULTANT
Community Connections & Access,
Artist-in-Community Residency &
Student Bursaries

Valerie Rentz
PROGRAM ASSISTANT

Shirley Ruhr
EXECUTIVE ASSISTANT
until Nov 06

Valerie Shantz
DIRECTOR OF GRANTING PROGRAMS

Danielle Sturk
PROGRAM CONSULTANT
Dance & Music

Elly Wittens
ACCOUNTS ADMINISTRATOR

Joan Thomas
PROGRAM CONSULTANT
Literary Arts

Management's Responsibility for Financial Reporting


The preparation of the financial statements and other information contained in this Annual Report is the responsibility of management of the Manitoba Arts Council.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles using management's estimates and judgements where appropriate. The financial information shown elsewhere in this Annual Report is consistent with information contained in the financial statements.

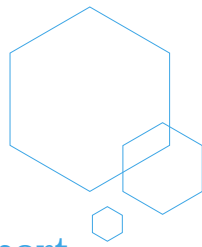
Management of the Manitoba Arts Council has developed and maintains accounting systems and internal controls designed to provide reasonable assurance of the reliability of the financial information, and that assets are appropriately accounted for and adequately safeguarded.

The financial statements for the year ended March 31, 2007 have been audited by Magnus & Buffie in accordance with Canadian generally accepted auditing standards. The Auditors' Report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

The Council, through its Audit/Finance/Human Resource Committee, carries out its responsibility for the review and approval of the financial statements and the Annual Report. The Audit/Finance/Human Resource Committee reports to Council who approves these financial statements and the Annual Report prior to release.



Douglas Riske
EXECUTIVE DIRECTOR



Auditor's Report

To the Members of the Council,

Manitoba Arts Council

We have audited the statement of financial position of Manitoba Arts Council as at March 31, 2007 and the statements of revenues and expenses and changes in fund balances for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

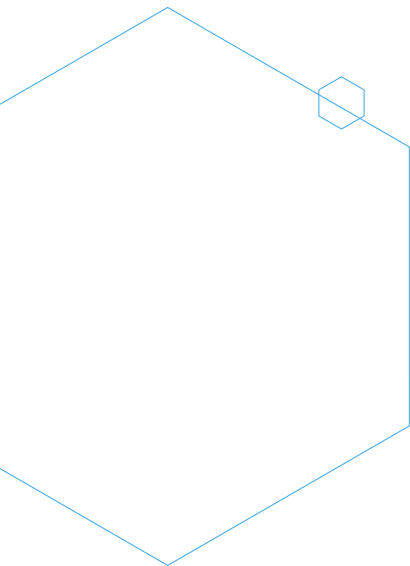
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus and Buffie,

CHARTERED ACCOUNTANTS

May 24, 2007

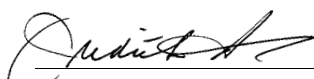


Statement of Financial Position

AS AT MARCH 31, 2007

	GRANTS & PROGRAMS FUND	BRIDGES FUND	2007 TOTAL	2006 TOTAL
Assets				
Current Assets				
Cash and short-term investments (note 3)	\$560,689	\$0	\$560,689	\$118,523
Accrued interest income	14,452	0	14,452	13,850
Accounts receivable	39,217	0	39,217	61,703
Prepaid expenses	16,823	0	16,823	96,662
	631,181	0	631,181	290,738
Recoverable, Province of Manitoba (note 11)	36,000	0	36,000	36,000
Recoverable, Province of Manitoba	4,000	0	4,000	15,000
Long term investments (note 4)	400,000	0	400,000	500,000
Musical instruments	104,796	0	104,796	104,796
Works of visual art	329,995	0	329,995	329,995
Capital assets (note 5)	75,192	0	75,192	91,143
Interfund balances	(69,314)	69,314	0	0
Total Assets	\$1,511,850	\$69,314	\$1,581,164	\$1,367,672
Liabilities and Fund Balances				
Current Liabilities				
Accounts payable and accrued liabilities	111,200	0	111,200	167,182
Commitments for grants and programs	597,283	6314	603,597	444,246
	708,483	6314	714,797	611,428
Investments in musical instruments and works of visual art	434,791	0	434,791	434,791
	1,143,274	6314	1,149,588	1,046,219
Fund Balances				
Invested in capital assets	75,192	0	75,192	91,143
Internally restricted (note 7)	77,000	63,000	140,000	158,000
Unrestricted	216,384	0	216,384	72,310
	368,576	63,000	431,576	321,453
Lease Commitment (note 8)				
Total Liabilities and Fund Balances	\$1,511,850	\$69,314	\$1,581,164	\$1,367,672

On behalf of Council

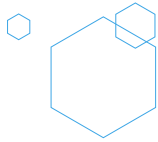

CHAIR


EXECUTIVE DIRECTOR

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

Statement of Revenues and Expenses

AS AT MARCH 31, 2007



	GRANTS & PROGRAMS FUND	BRIDGES FUND	2007 TOTAL	2006 TOTAL
Revenues				
Province of Manitoba - Operating Grant (note 9)	\$8,411,400	\$0	\$8,411,400	\$8,411,400
Province of Manitoba - Bridges Grant	0	875,000	875,000	885,000
Province of Manitoba - Education Grant	50,000	0	50,000	50,000
Investment Income	114,105	0	114,105	70,453
Other	39,002	0	39,002	45,972
	8,614,507	875,000	9,489,507	9,462,825
Expenses				
ORGANIZATIONS				
<i>Annual & Operating Grants</i>				
Arts Training Schools	151,000	0	151,000	149,500
Arts Service Organizations	179,900	0	179,900	125,900
Dance Companies	967,000	0	967,000	942,000
Music Organizations	1,170,000	0	1,170,000	1,153,000
Theatre Companies	1,602,000	0	1,602,000	1,647,000
Visual Arts Organizations	813,000	0	813,000	789,000
Book Publishers	255,500	0	255,500	255,900
Periodical Publishers	207,500	0	207,500	207,000
	5,345,900	0	5,345,900	5,269,300
Touring Grants	327,500	0	327,500	294,000
Presentation Grants	293,781	0	293,781	279,606
Technical Assistance Grants	0	0	0	35,000
Special Grants	22,500	0	22,500	20,854
Management & Governance	0	70,429	70,429	0
	5,989,681	70,429	6,060,110	5,898,760
INDIVIDUALS				
Professional Development Grants	278,090	0	278,090	211,743
Creation and Production Grants	911,498	0	911,498	790,080
Touring Grants	30,000	0	30,000	9,500
Aboriginal Arts Grants	0	117,642	117,642	144,460
	1,219,588	117,642	1,337,230	1,155,783
ARTS DEVELOPMENT				
Residencies	305,667	0	305,667	337,650
Award of Distinction	30,000	0	30,000	30,000
Arts Stabilization	0	0	0	200,000
Special Projects	44,192	0	44,192	36,070
Special Opportunities	108,296	0	108,296	0
Community Connections	0	119,636	119,636	113,779
Arts Education Initiatives	0	(5,000)	(5,000)	20,000
ArtsSmarts Grant	0	30,000	30,000	10,000
	488,155	144,636	632,791	747,499
	7,697,424	332,707	8,030,131	7,802,042
Arts Program Delivery Expenses (Schedule)	571,989	122,805	694,794	828,465
	8,269,413	455,512	8,724,925	8,630,507
Administrative Expenses (Schedule)	670,892	0	670,892	690,689
	8,940,305	455,512	9,395,817	9,321,196
Rescinded Commitments	(16,433)	0	(16,433)	(36,465)
Total expenses	8,923,872	455,512	9,379,384	9,284,731
Excess (Expenses) Revenues for the Year	\$(309,365)	\$419,488	\$110,123	\$178,094

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

Statement of Changes in Fund Balances

AS AT MARCH 31, 2007

	GRANTS & PROGRAM FUND INVESTED IN CAPITAL ASSETS	GENERAL (NOTE 7)	BRIDGES FUND (NOTE 7)	2007 TOTAL	2006 TOTAL
Fund Balances, Beginning of Year	\$91,143	\$127,310	\$103,000	\$321,453	\$143,359
Excess (expenses) revenues for the year	(26,259)	(283,106)	419,488	110,123	178,094
Additions to capital assets	10,308	(10,308)	0	0	0
Interfund transfer (note 7)	0	459,488	(459,488)	0	0
Fund Balances, End of Year	\$75,192	\$293,384	\$63,000	\$431,576	\$321,453

Notes to Financial Statements

AS AT MARCH 31, 2007

1. Authority & Purpose

The Arts Council Act established the Manitoba Arts 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 under the Income Tax Act (Canada).

2. Summary of Significant Accounting Policies and Reporting Practices

- a) **Basis of Presentation**
These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles within the framework of the accounting policies summarized in these notes to the financial statements.
- b) **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 Council defined in The Arts Council Act.
 - ii) **Bridges Fund**
This fund was established in June 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 revenues over expenditures, if any, is transferred to the Grants & Programs Fund at an amount determined by the Council to fulfill similar goals and objectives.
- c) **Revenue Recognition**
The Council follows the deferral method accounting for revenues. Externally restricted revenues are deferred and recognized as revenue in the applicable fund in the year in which the related expenses are incurred. Unrestricted and internally restricted revenues are recognized as revenue in the applicable fund when received or receivable.
- d) **Grant Commitments**
Grants and program commitments are reflected as expenses when funding is formally approved and committed by Council. Cancellations of prior years' grant expenses are reflected as rescinded grant commitments.

- e) **Capital Assets**
Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:
- | | |
|--------------------------------|------------|
| Office furniture and equipment | 5-10 years |
| Computer hardware and software | 3 years |
- f) **Investments**
Investments are recorded at the lower of cost and market value if any decline in market value is considered to be other than temporary.
- g) **Musical instruments and works of visual art**
Musical instruments and works of visual art are shown on the Statement of Financial Position as assets at cost with an offsetting credit to investments in musical instruments and works of visual art. The art bank collection was re-appraised in 2005, at a current market value of \$449,222.00.
- h) **Financial Instruments**
The Council's financial instruments consist of cash, receivables, investments, accounts payable and accrued liabilities and unpaid commitments. Unless otherwise noted, it is management's opinion that the carrying value of these instruments approximates their fair value and that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments.
- i) **Use of Estimates**
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from these estimates.

3. Cash and short term investments

Cash and short term investments consist of \$57,133 cash (2006 - \$92,682) and short term investments of \$93,556 and \$410,000, respectively (2006 - \$25,841). The short term investments mature June 15, 2007 and May 2, 2007 with yields of 4.0%.

4. Long Term Investments

	2007		2006	
	COST	MARKET	COST	MARKET
Manitoba Builder Bonds (Due Jun 15, 2007, yielding 3.8%)	200,000	204,997	200,000	205,097
Manitoba Hydro Bonds (Due Jun 15, 2011, yielding 4.0%)	100,000	105,736	200,000	202,018
Royal Bank of Canada Issuer Extendible Step-Up Med. Term Notes (Yielding 3.20%-4.25%, Maturing Sept 2006 to Sept 2010)	100,000	99,972	100,000	98,217
	<u>400,000</u>	<u>410,705</u>	<u>500,000</u>	<u>505,332</u>

5. Capital Assets

	2007		2006	
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Office furniture and equipment	128,613	62,877	65,736	77,747
Computer hardware and software	258,148	248,692	9,456	13,396
	<u>386,761</u>	<u>311,569</u>	<u>75,192</u>	<u>91,143</u>

6. Works of Visual Art

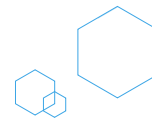
The Manitoba Arts Council moved selected works from the Visual Art Bank to the Art Gallery of Southwestern Manitoba. The Manitoba Foundation for the Arts awarded a grant to the Manitoba Arts Council to provide to

the Art Gallery of Southwestern Manitoba for the care, storage and exhibition of those works. An art bank loan agreement between the Council and the Art Gallery of Southwestern Manitoba is currently being negotiated.

7. Interfund Transfers and Internally Restricted Fund Balances

In 2007, the Council members internally restricted \$140,000 to be used as follows:

	GRANTS & PROGRAMS	BRIDGES
Technical Assistance	20,000	
Capital Fund Allocation	30,000	
Advocacy Initiatives	10,000	
Contact (Touring Development)	17,000	
Bridges Program Review		18,000
Arts Education Initiative		15,000
French Language Programs		20,000
Consultations		10,000
	<u>77,000</u>	<u>63,000</u>



These internally restricted amounts are not available for unrestricted purposes without the approval of the members of Council. In addition, \$459,488 (2006 - \$129,676) was transferred from the Bridges Fund to the Grants & Programs Fund in order to fund the cash outlays for Grants to Individual Artists and Arts Development Grants.

8. Lease Commitment

Council has entered into an agreement to lease office premises until March 31, 2012. The 2007 basic annual rent was \$112,774. The 2008 basic annual rent is estimated to be \$113,084. Expenses arising from an escalation clause for taxes, insurance, utilities and building maintenance are in addition to the basic rent.

9. Funding Agreement

The funding agreement with the Province of Manitoba established the terms and conditions of funding for five years ended March 31, 2000. During the term of the agreement, Council was entitled to retain proceeds up to \$1,000,000 from the Province of Manitoba. Any proceeds retained in excess of \$1,000,000 except for proceeds exempted in the funding agreement, would have been repaid to the Province of Manitoba on demand. In accordance with this Agreement, there were no proceeds repayable to the Province. As at March 31, 2007, the Council was in discussions with the Province regarding the terms of a new funding agreement.

10. Pension Plan

Eligible employees are participants in the Manitoba Civil Service Superannuation Fund. The Council participates on a fully funded basis and its contributions of \$9,620 (2006 - \$13,645) represent the total obligations for the year.

11. Severance Liability

Effective March 31, 1999, the 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. Any subsequent changes to the severance liability will be the responsibility of Council. As at March 31, 2007, Council recorded a liability of \$30,254 (2006 - \$25,163). This liability is included in accounts payable and accrued liabilities.

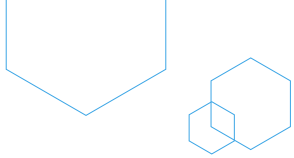
12. Statement of Cash Flow

A statement of cash flow is not presented as part of the financial statements as Council has determined that cash flow information is readily determinable from the other financial statements.

13. Economic Dependence

A substantial portion of the Council's total revenue is derived from the Province of Manitoba in the form of an operating grant.





MANITOBA ARTS COUNCIL

Schedule of Administrative Expenses

FOR THE YEAR ENDED MARCH 31, 2007

	GRANTS & PROGRAMS FUND	
	2007 TOTAL	2006 TOTAL
Salaries and benefits	\$426,854	\$415,525
Council meetings	56,961	54,270
Rent	56,024	56,429
Amortization	26,259	26,065
Office supplies, printing and stationery	12,086	24,258
Postage, courier and telephone	15,229	17,387
Staff travel and expenses	23,441	18,486
Insurance and sundry	7,797	8,168
Professional fees	29,278	48,462
Equipment repairs and maintenance	1,963	3,414
Total Administrative Expenses	655,892	672,464
Other Administrative Expenses (Art Bank Administration)	15,000	18,225
	\$670,892	\$690,689

MANITOBA ARTS COUNCIL

Schedule of Arts Program Delivery Expenses

FOR THE YEAR ENDED MARCH 31, 2007

	GRANTS & PROGRAMS FUND	BRIDGES FUND	2007 TOTAL	2006 TOTAL
Salaries and benefits	\$ 371,548	\$ 95,978	\$467,526	\$601,115
Jurors' fees and expenses	72,889	8,559	81,448	78,990
Rent	47,670	9,080	56,750	57,899
Communication	40,296	1,223	41,519	41,139
Advocacy	530	0	530	6,789
Community consultations	6,648	186	6,834	16,280
Staff travel and expenses	3,117	5,359	8,476	12,376
Postage, courier and telephone	7,032	2,245	9,277	9,523
Office supplies	1,058	175	1,233	2,481
Touring development	20,393	0	20,393	0
Sundry	808	0	808	1,873
	\$571,989	\$122,805	\$694,794	\$828,465

