



CONSEIL DES
ARTS DU
MANITOBA
ARTS COUNCIL

2017 | ANNUAL 2018 | REPORT





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Roberta Christianson

VICE CHAIR

Scott Baldwin

COUNCIL MEMBERS

Yisa Akinbolaji
Tricia Penner
David Roberts
Gurpreet Sehra
Sharron Curry Wiens

Until September 2017:

Cheryl Bear
Brenda Blaikie
Aimée Craft
Amy Karlinsky
Crystal Kolt
Cindi Rempel Patrick
Jason Smith
Étoile Stewart
Lea Stogdale

Start September 2017:

Lewis Rosenberg
Lesia Szwaluk
Janeen Junson
Josée Théberge
Bonnie White
Kathy Moscou
Leanne Zacharias
Elizabeth Gornik

GOVERNANCE COMMITTEE

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Roberta Christianson
David Roberts
Josée Théberge
Kathy Moscou
Leanne Zacharias
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Bonnie White

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Sharron Curry Wiens
Lesia Szwaluk
Lewis Rosenberg
Elizabeth Gornik
Janeen Junson

ACTING CHIEF EXECUTIVE OFFICER

Debra Solmundson (start May 2018)

STAFF

Charlene Brown,
Executive Coordinator

Marian Butler,
Program Consultant

Akoulina Connell,
CEO (until May 2018)

Linda Eagleton,
Database Coordinator

Cathleen Enns,
Program Consultant

Martine Friesen,
Program Consultant

Leanne Foley,
Program Consultant

Stephanie George,
Archivist Intern

Teresa Kowalke,
Arts and Learning Coordinator

Tracey Longbottom
Program Consultant

Vincent Post,
Data Analyst

Geneviève Rosset
Program Assistant Coordinator

Elyse Saurette,
Public Relations Agent

Diana Sefa,
Program Assistant

Debra Solmundson,
Director of Finance

Deirdre Tomkins,
Program Assistant

Elly Wittens,
Accounts Administrator/Office Manager



CONSEIL DES
ARTS DU
MANITOBA
ARTS COUNCIL

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 professional 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.

MANDATE

The Manitoba Arts Council is an arm's-length agency of the Province of Manitoba, established in 1965 "to promote the study, enjoyment, production, and performance of works in the arts." The Council makes awards to professional arts organizations and individuals in all art forms including arts education, literary arts, performing arts, and visual arts. The Council uses a peer assessment process in making awards. The main criterion used to assess applications is artistic excellence.

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PHOTO CREDITS:

Cover: Kristen Nelson at Riding Mountain Artist Residency. Photo: courtesy of the artist.

Inside cover: Théâtre Cercle Molière, Le Wild West Show de Gabriel Dumont, Photo: Jonathan Lorange

Page 1: Plug In ICA, STAGES: Drawing the Curtain - Abbas Akhavan, *Variations on a Monument*, Pharaoh Moans performing at Bonny Castle Park. Photo: Karen Asher.

Page 2: Winnipeg Symphony Orchestra, New Music Festival, Concertmaster Gwen Hoebig. Photo: Chronic Creative.

Page 3: Alicia Taylor, Ancient Hoop Dancing, Artist in the Schools program. Photo: courtesy of the artist.

Page 5: - Winnipeg Jewish Theatre, *Tribes*, Jordan Sangalang (left) and Stephanie Sy (right) Photo: Keith Levit.

Page 6: Shawna Dempsey and Lorri Millan, *Big Wig*, Video Pool exhibition *Isolated Landscapes*, 2017. Photo: Karen Asher.

Page 7: Shawna Dempsey and Lorri Millan, Photo: Lindsey Bond

Page 9 (Top): Teresa Burrows, template used for *Cease and desist*

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Page 9 (Bottom): Gran Han, exhibition shot. Photo: courtesy of the artist.

Page 10: Artists in the Schools residency project with Becky Thiessen at Hapnot School

Page 11: Royal Winnipeg Ballet, Stephan Akulay, Alanna McAdie, Josh Reynolds. Photo: Simeon Rusnak.



CONSEIL DES
ARTS DU
MANITOBA
ARTS COUNCIL

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

September 30th, 2018

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, 2017, to March 31, 2018.

Thank you to the province for its continued investment in the Manitoba Arts Council through operating funds from the department of Sport, Culture and Heritage. We know the government is aware that culture is an economic powerhouse for the Manitoba economy that creates thousands of jobs and adds to our quality of life. We appreciate the opportunity to serve this dynamic and flourishing arts community on behalf of the government.

Sincerely,

Roberta Christianson Chair, Manitoba Arts Council



REPORT OF THE CHAIR AND ACTING CEO

COMING HOME

“Home is where your he(art) is”. In my case, returning as Chair of the Manitoba Arts Council (MAC) is a homecoming of sorts. That can also be said of current Acting CEO, Debra Solmundson. We worked together at MAC from 1996 to 2000. In our absence, we have grown to have a deeper appreciation for the organization we call “MAC”, for the individuals, groups, and organizations who receive support through its many programs, and for the countless arts experiences that benefit so many Manitobans including ourselves and our families. We are aware of the unique and, yes, even privileged role MAC plays in providing funding to Manitoba’s arts community. With great privilege comes great responsibility. As an arm’s-length agency of Sport, Culture and Heritage, MAC is accountable for the government’s contribution to the arts on behalf of all Manitobans. More than that, we understand the intrinsic value of the arts in the lives of all Manitobans. Our job is to demonstrate that understanding and accountability through the policy and programs we design and deliver.

Manitoba’s arts community is energetic, creative, resourceful, and resilient. The arts play an integral part in the vitality and growth of a community as well as the preservation of its values, traditions, and culture. Our identity and sense of belonging comes from our “community”, be it family, friends, colleagues. The concepts of community, identity, belonging, and “home” resonate within many of the artists’ projects MAC has supported over the years, and this year was no exception. Out of the hundreds of artists who received grants from MAC in 2017-18, we have selected a few grant recipients to highlight. Concepts of “between somewhere”, “othered”, “outside” were raised. Even more revealing are the varied approaches these skilled artists take to create a dialogue around their art; to reflect, to critique, to challenge, and even to upset, so that we, the “audience”, are made aware, asked to feel, and perhaps most importantly, are challenged to discuss and debate.

REPORT OF THE CHAIR AND ACTING CEO (CONTINUED)

A LOOK BACK

We began 2017-18 with the online application system project well under way, culminating with the selection of a software platform in June 2017. At the same time, MAC joined a government initiative to reduce “red tape”. As well, a new customer service standard was created as required under the Accessibility Act. One of the more interesting results from this initiative was the installation of automatic accessible doors to the building in which MAC has been a tenant for over 30 years.

For the summer of 2017, we hired an intern to update our paper archives. Special thanks to Stephanie George for sifting through mountains of paper, and organizing our digital files to better position us in managing our archive when the new online application system launches in 2018-19.

It has been a full year of collaboration and exploration as we worked diligently to improve how to best serve the arts community and meet the needs of MAC’s stakeholders. We have worked closely with our Indigenous Advisory Group, Arts Education Advisory Panel, and Accessibility Advisory Committee to update policies and programs. The Indigenous Advisory Group was established to inform the program review of the previous Aboriginal Arts programs towards the development of the new Indigenous 360 programs. The Accessibility Advisory Committee was established to guide the development of MAC’s plans and policies as required by the Accessibility for Manitobans Act. The Arts Education Advisory Panel was established to explore the changing needs of the arts in education with representatives from the Department of Education and Manitoba’s schools.

Part of the process for creating a new online application system involved the development of enhanced outputs, outcomes, and indicators. We gained valuable insights from the Community Indicators Conference held in Winnipeg, which facilitated the development of better performance measures for MAC. We hired MAC’s first Data Analyst, Vincent Post, who has been integral to the development of MAC’s online application system.

We have simultaneously simplified and enhanced our program structure to be more inclusive, open, flexible, and receptive to the new ways that artists are working. All existing programs and associated budgets have been incorporated into a new framework.

Both Debra and I would like to personally acknowledge the efforts of the staff during this time of change and restructure. Many thanks to all our Council members for their commitment, time, and expertise. A special thanks to departing Council members Cheryl Bear, Brenda Blaikie, Aimée Craft, Amy Karlinsky, Crystal Kolt, Cindi Rempel Patrick, Jason Smith, Étoile Stewart, and Lea Stogdale for their service.

We would also like to thank Akoulina Connell for her contributions to MAC. Under her leadership, MAC’s grant programs were consolidated in preparation for an online application system. MAC is poised to be more efficient, adaptive, and responsive from the work she began in the summer of 2016.

MAC also bid farewell to Geneviève Rosset. After working 11 years in various roles, her presence at MAC will be dearly missed by all who worked with her.

LOOKING AHEAD

We have indeed spent the majority of 2017-18 looking inward at our policies and procedures. In 2018-19, we turn our attention more outward, furthering a dialogue, convening, consulting, and reaching out to build stronger relationships with the arts community. The new streams (Create, Share, Learn, Indigenous 360, Support, and Recognize) and associated programs will launch in the fall/winter of 2018-19.

We envision a Manitoba where in our he(arts), we know that the arts are an integral part of calling Manitoba “home”.



Roberta Christianson
Chair, Manitoba Arts Council

Debra Solmundson
Acting CEO, Manitoba Arts Council





MANITOBA ARTS AWARD OF DISTINCTION

The dynamic art duo Shawna Dempsey and Lorri Millan are the latest recipients of the Manitoba Arts Award of Distinction. This recognition awards \$30,000 to the artist team and is the Manitoba Arts Council's award for the highest level of excellence and long-term achievements of an artist in Manitoba.

Collaborators since 1989, the Winnipeg-based duo were catapulted into the national spotlight with the controversial performance piece *We're Talking Vulva*. Acclaimed by *Border Crossings* as "one of the high-points of contemporary Canadian artistic production," Dempsey and Millan have toured extensively throughout North America, Europe, Australia, and Japan. Their film and video works have been screened in venues ranging from women's centres in Sri Lanka to the Museum of Modern Art (MOMA) in New York City. The diversity of their work includes the art installation *Archaeology and You* (Royal Ontario Museum), publications such as *Lesbian National Parks & Services Field Guide to North America* (Pedlar Press), and curated exhibitions throughout Canada and the United States.

Alexis Kinloch, who nominated Shawna and Lorri for the award, sums up their impact best in her ceremony speech, "With wit and generosity, (they) have contributed to the great feminist shift that has been occurring over the past thirty years. Their work combines and interrogates difficult subjects such as female sexuality, lesbian visibility, experiences of women, nation building, civic politics, science, heteronormativity, history, and pop

culture... Through their costumes, they have expanded and complicated ideas of gender and feminism. Complex contradictions mixed with humour, surprise, and provocation allow us to laugh at how the fortress acts as a prison, utilizing disruption for the purpose of opening people to awareness and discussion. Their continual return to this form is based on their belief that understanding and empathy come through sharing the same space, breathing the same air with people, and looking them in the eye; the unfamiliar and strange change shape when it makes you laugh. They strive for change and awareness, working at the vanguard of contemporary art-making and, through their emphasis on conceptual rigour, setting a critical example for other artists".

Previous Manitoba Arts Award of Distinction recipients include: **Diana Thorneycroft** (2016), **Robert Archambeau** (2014), **J. Roger Léveillé** (2012), **William Eakin** (2009), **Roland Mahé** (2008), **Dr. Robert Turner** (2007), **Aganetha Dyck** (2006), **Guy Maddin** (2005), **Grant Guy** (2004), **Robert Kroetsch** (2003), and **Leslee Silverman** (2002).



MAJOR ARTS GRANT

teresaburrows

teresaburrows has been awarded a Major Arts Grant for *Embroidered confessions and collaborations*.

Embroidered confessions and collaborations is a project in which the artist will create the illusion of double-exposure images using beaded glass and collaboration with other artists. Outside of her practice, teresaburrows understands herself as the receiver of confessions and abandoned emotions. The concept behind this body of work is the contradiction between “I mean what I say” and “I say what I mean”.

teresaburrows is a visual artist from northern Manitoba who creates contemporary mixed media beadwork. The narratives in her work often find their origin in history, mythology, societal issues, and personal relationships. Her work addresses issues of violence, the right to voice, and the power of silence, as well as how appropriation and reclamation might foster resilience and resistance.

Ufuk Ali Gueray

Ufuk Ali Gueray has been awarded a Major Arts Grant for *Atila's Mirror Shop*, a long-term multi-media project dealing with memories of his late uncle's mirror shop in Izmir, Turkey.

Atila's Mirror Shop is a project that explores the concepts of visibility and exclusion. Ufuk will investigate diasporic identity within an artistic and cultural paradigm that often leaves little room for minority perspectives. Recreating his uncle's mirror shop is an effort to continue a family business by turning it into art. For this project, Ufuk is collaborating

with his partner Erica Mendritzki, his mom and dad, his uncle's widow, and other family members and artists based in Turkey and elsewhere.

Ufuk Ali Gueray was born to Turkish parents in Herrenberg, Germany. He studied at Concordia University in Montreal, where he obtained a Bachelor of Fine Arts in French Studies and Fine Arts, and at Glasgow School of Art, where he was awarded a Master of Fine Arts degree. He has lived in Winnipeg since 2012.

Grace Han

Grace Han has been awarded a Major Arts Grant for the project *Black and the True Voice*, an interactive exhibition and performance involving the creation of large-scale, black-coloured ceramic works.

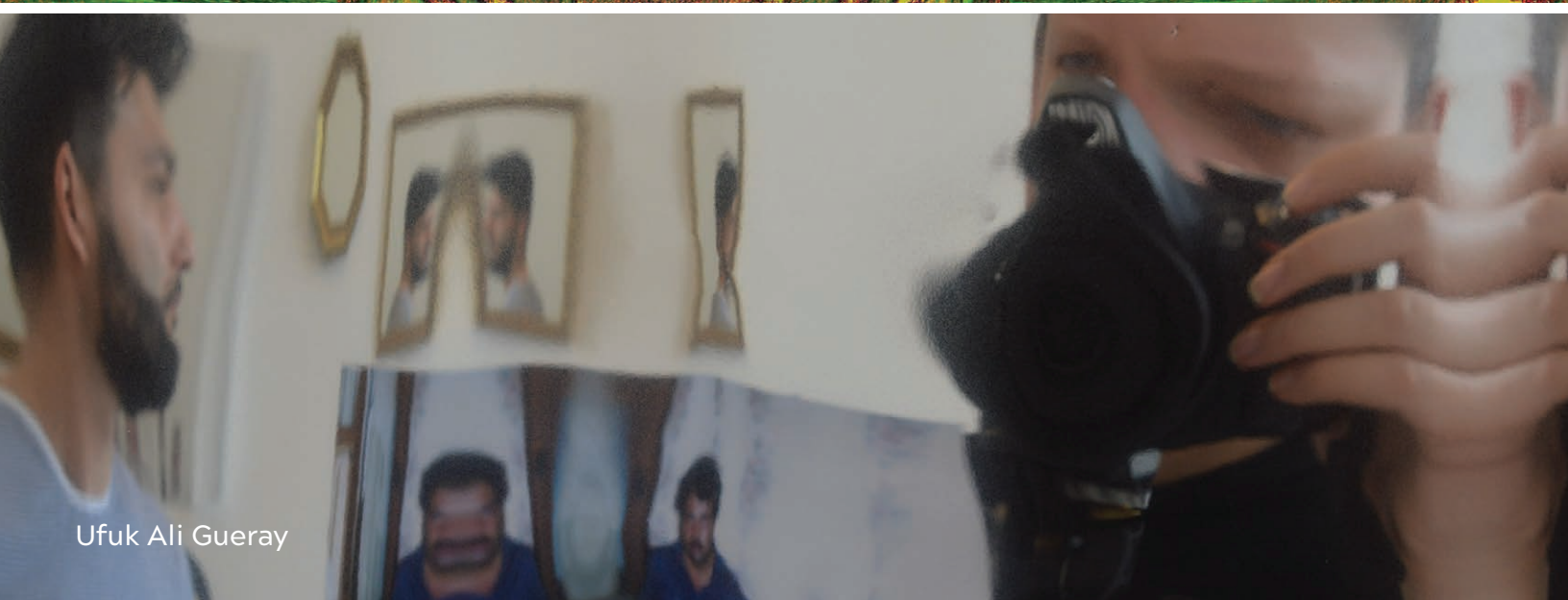
The project *Black and the True Voice* involves creation, interactive exhibitions, and performance. Using large black ceramic sculptures and small white ceramic units, Grace will create a space where audiences can directly interact with the works by sitting on them, touching them, and walking through them. In another venue at the same time, large functional vessels will be set to ferment food and drinks during the exhibition. The audience will then experience the fermentation process as it happens.

These large vessels and sculptures will be created in a unique and traditional way which requires tremendous physical strength and exertion. This creation process will be recorded and made into a short film for later distribution. In addition, a live performance will take place during the opening reception.

Grace Han is a ceramic artist originally trained in Seoul, South Korea. She received her Bachelor of Fine Arts from Dankook University (Seoul, South Korea) where she specialized in traditional Korean ceramic techniques and skills. She immigrated to Canada in 2011 and received her Master of Fine Arts from the University of Manitoba. Now she is pursuing her career as an artist, working in clay, performance, and video to explore concepts of identity, transition, patriarchy, and perception.



teresaburrows



Ufuk Ali Gueray



Grace Han



ARTS AND LEARNING

The intent of MAC's arts and learning programs is to empower the creative potential of students throughout Manitoba using arts enriched learning experiences in the classroom. Artists and teachers work together to facilitate arts-based inquiry through projects and residencies. This in turn motivates students to realize their full potential and recognize their role in the community. In this year alone, over 33,000 students and 90 artists participated in 220 residencies and projects in schools across the province.

The ArtsSmarts program outcomes focus on providing safe environments for cross-curricular investigation, respecting the uniqueness and diversity of all students and their communities, and empowering young people to broaden their understanding of different perspectives.

The Artists in the Schools program has supported many hundreds of Manitoba artists in developing a career working with youth and sustaining their artistic practice. Each year we receive feedback from the schools on the impact of the artists' residencies.

We love getting the straight talk right from the students themselves:

We were able to use the creative side of our mind!

She's like an orchestra.

I have the music in my head now and it feels great!

I never got to do anything like this before

I wish school was longer today.

I think I might like to do this as a job.

I want to be a Japanese drummer when I grow up!

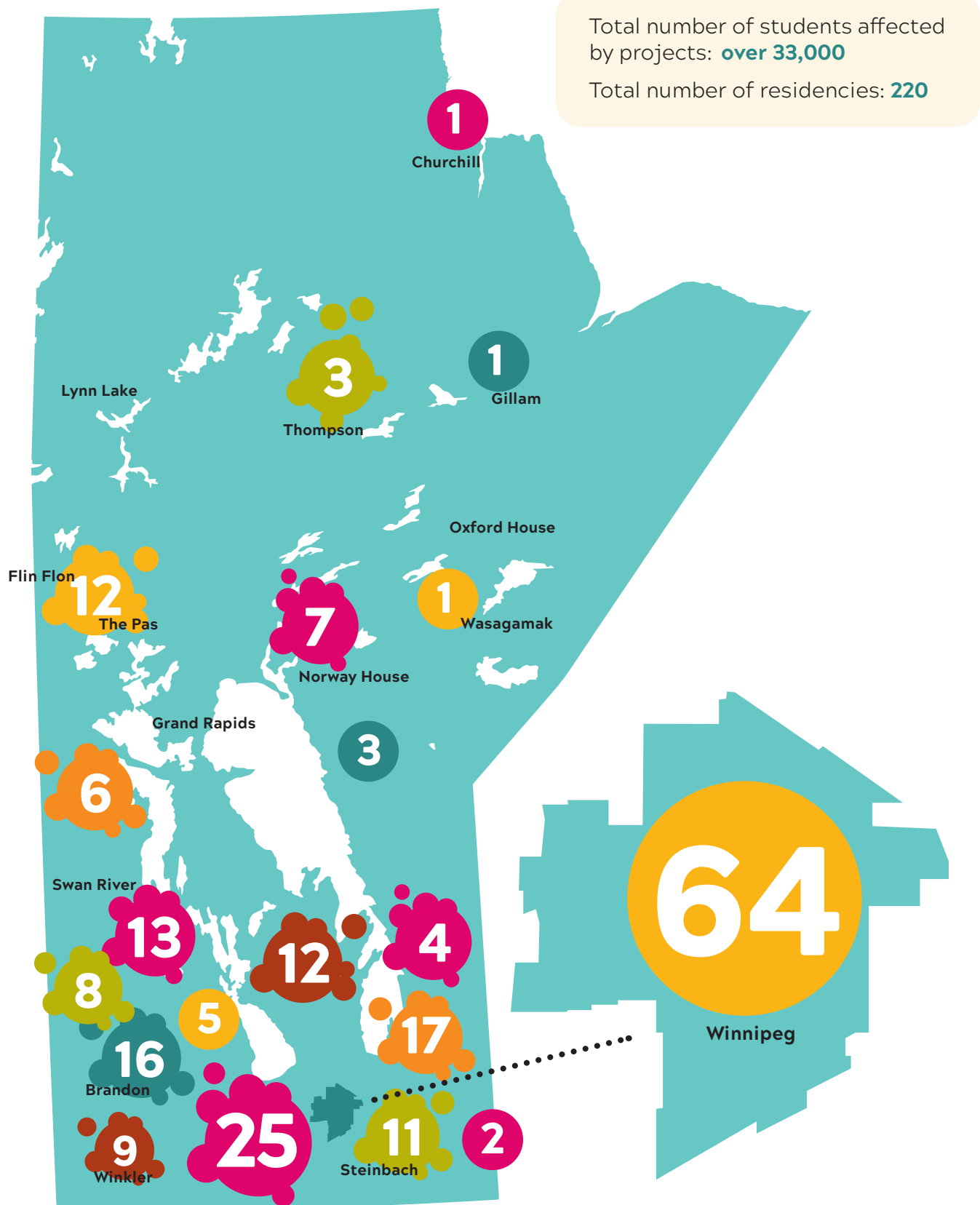
I'm a powwow dancer now!

They worked us hard. I think I lost some weight.



PROGRAM METRICS 2017-2018

ARTS & LEARNING PROJECTS



PROGRAM METRICS 2017-2018

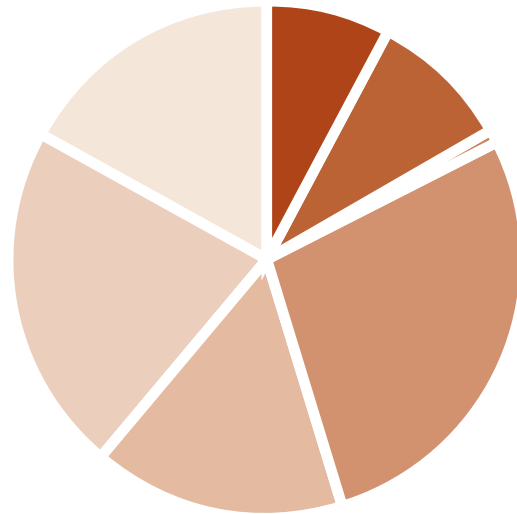
Grants to Artists



Total number of grants to artists: **262**

- Craft: 4%
- Dance: 7%
- Interdisciplinary: 13%
- Media Arts: 7%
- Music: 12%
- Theatre: 11%
- Visual Arts: 29%
- Literary Arts: 18%

Grants to Organizations



Total number of grants to organizations: **151**

- Craft: 0%
- Dance: 8%
- Interdisciplinary: 9%
- Media Arts: 1%
- Music: 28%
- Theatre: 16%
- Visual Arts: 22%
- Literary Arts: 17%

TOTAL GRANTS FROM 2011 TO 2018

	Number of Applications	Number of Awards	Application Success Rate	Amount Requested	Amount Awarded	Success Rate by Dollar
2017-2018*	1009	611	60%	\$11,590,877	\$8,117,523	70%
2016-2017*	1016	576	57 %	\$11,107,111	\$7,823,764	70%
2015-2016*	1308	740	57%	\$14,060,080	\$8,432,563	60%
2014-2015*	1327	828	62%	\$13,771,637	\$8,567,659	62%
2013-2014*	1266	879	69%	\$12,412,611	\$8,856,025	71%
2012-2013*	1305	921	71%	\$11,461,695	\$8,533,404	74%
2011-2012*	1339	915	68%	\$12,103,638	\$8,563,547	71%

* Approximate figures

MANITOBA ARTS COUNCIL FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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 Council on June 26, 2018.

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 Chartered Accountants LLP, 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



Debra Solmundson
Acting 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, 2018, 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, 2018 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 26, 2018
Winnipeg, Canada

STATEMENT OF FINANCIAL POSITION

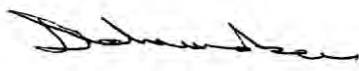
MARCH 31, 2018

	Grants & Programs Fund	Bridges Fund	Total 2018	Total 2017
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$968,905	\$0	\$968,905	\$435,205
Accounts receivable (NOTE 4)	24,164	0	\$24,164	1,214
Prepaid expenses	11,030	0	11,030	11,427
	<u>1,004,099</u>	<u>0</u>	<u>1,004,099</u>	<u>447,846</u>
Recoverable from Province of Manitoba (NOTE 9)	36,000	0	36,000	36,000
Portfolio investments (NOTE 5)	213,718	0	213,718	212,160
Capital assets (NOTE 6)	77,691	0	77,691	16,229
Interfund balances	0	0	0	0
TOTAL ASSETS	<u>\$1,331,508</u>	<u>\$0</u>	<u>\$1,331,508</u>	<u>\$712,235</u>
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities (NOTE 8)	\$122,533	\$0	\$122,533	\$98,397
Commitments for grants and programs	638,785	0	638,785	311,175
	<u>761,318</u>	<u>0</u>	<u>761,318</u>	<u>409,572</u>
Employee future benefits (NOTE 9)	112,491	0	112,491	98,945
FUND BALANCES:				
Invested in capital assets	77,691	0	77,691	16,229
Unrestricted	380,008	0	380,008	187,489
	<u>457,699</u>	<u>0</u>	<u>457,699</u>	<u>203,718</u>
Collections (NOTE 7)				
Designated Assets (NOTE 9)				
Commitments (NOTES 6, 10)				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,331,508</u>	<u>\$0</u>	<u>\$1,331,508</u>	<u>\$712,235</u>

Approved on behalf of Council,



CHAIR



ACTING CEO

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

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2018

	Grants & Programs Fund	Bridges Fund	Total 2018	Total 2017
REVENUE				
Province of Manitoba - Operating Grant	\$8,403,900	\$0	\$8,403,900	\$8,598,900
Province of Manitoba - Bridges Grant	0	875,000	875,000	875,000
Province of Manitoba - Royal Manitoba Theatre Centre	0	150,000	150,000	150,000
Province of Manitoba - Manitoba Opera Association	0	150,000	150,000	0
Province of Manitoba - Winnipeg Symphony Orchestra	0	125,000	125,000	0
Other	138,000	0	138,000	45,000
Investment Income	17,662	0	17,662	13,645
	8,559,562	1,300,000	9,859,562	9,682,545
EXPENSES				
ORGANIZATIONS				
Annual & Operating Grants				
Arts Training Schools	162,500	0	162,500	162,500
Arts Service Organizations	48,000	0	48,000	94,000
Dance Companies	882,050	0	882,050	882,050
Music Organizations	1,197,060	275,000	1,472,060	1,197,060
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
	5,304,790	425,000	5,729,790	5,500,790
Touring Grants	280,000	0	280,000	270,500
Presentation Grants	428,350	0	428,350	337,700
Management & Governance	0	18,500	18,500	18,500
	6,013,140	443,500	6,456,640	6,127,490
INDIVIDUALS				
Professional Development Grants	188,142	0	188,142	194,851
Creation and Production Grants	599,382	0	599,382	573,321
Touring Grants	16,000	0	16,000	16,000
Aboriginal Arts Grants	0	56,000	56,000	68,000
	803,524	56,000	859,524	852,172
ARTS DEVELOPMENT				
Residencies	410,901	0	410,901	405,984
ArtsSmarts Projects	91,168	0	91,168	131,623
Award of Distinction	30,000	0	30,000	0
Special Projects	10,692	89,128	99,820	134,625
Community Connections & Access	0	149,470	149,470	151,870
Arts Education Initiatives	0	20,000	20,000	20,000
	542,761	258,598	801,359	844,102
	7,359,425	758,098	8,117,523	7,823,764
Arts Program Delivery Expenses (SCHEDULE 1)	625,907	96,029	721,936	794,165
	7,985,332	854,127	8,839,459	8,617,929
Administrative Expenses (SCHEDULE 2)	814,391	0	814,391	753,105
	8,799,723	854,127	9,653,850	9,371,034
Rescinded Commitments	(48,269)	0	(48,269)	(43,106)
Total Expenses	8,751,454	854,127	9,605,581	9,327,928
(Deficiency) Excess of Revenue over Expenses	(\$191,892)	\$445,873	\$253,981	\$354,617

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

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31, 2018

	GRANTS & PROGRAMS FUND		BRIDGES FUND	Total	Total
	Invested In			2018	2017
	Capital Assets	General			
FUND BALANCES, BEGINNING OF YEAR	\$16,229	187,489	\$0	203,718	(150,899)
(Deficiency) Excess of Revenue over Expenses	(12,657)	(179,235)	445,873	253,981	354,617
Additions to Capital Assets	74,119	(74,119)	0	0	0
Interfund Transfers (NOTE 11)	0	445,873	(445,873)	0	0
FUND BALANCES, END OF YEAR	\$77,691	380,008	\$0	457,699	203,718

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

STATEMENT OF CASH FLOW

YEAR ENDED MARCH 31, 2018

	2017	2016
CASH PROVIDED BY (APPLIED TO)		
Operating activities:		
Excess (Deficiency) of Revenue over Expenses	\$253,981	\$354,617
Adjustment for:		
Amortization of capital assets	12,657	14,019
	266,638	368,636
Changes in the following:		
Accounts receivable	(22,905)	18,536
Prepaid expenses	397	1,732
Accounts payable and accrued liabilities	24,136	(28,575)
Commitments for grants and programs	327,610	(238,631)
Employee future benefits	13,546	13,190
Cash (applied to) operating activities	609,377	134,888
Investing activities:		
Change in portfolio investments	(1,558)	(25,119)
Cash provided by (applied to) investing activities	(1,558)	(25,119)
Capital activities:		
Acquisition of capital assets	(74,119)	(3,540)
Cash (applied to) capital activities	(74,119)	(3,540)
Change in cash and cash equivalents	533,700	106,229
Cash and cash equivalents, beginning of year	435,205	328,976
Cash and cash equivalents, end of year	\$968,905	\$435,205

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.

(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. Actual results may differ from these estimates.

4. Accounts Receivable

Accounts receivable at March 31 is comprised of the following:

	2018	2017
Accrued interest	\$4,097	\$1,156
Due from the Province of Manitoba	20,000	0
Other receivables	67	58
	<u>\$24,164</u>	<u>\$1,214</u>

As at March 31, 2018, amounts due from the Province of Manitoba are from Manitoba Education and Training in support of the ArtsSmarts Manitoba project.

5. Portfolio investments

As at March 31, 2018, the market value of the Council's portfolio investments is \$213,339 (2017 - \$211,786).

6. Capital Assets

	2018		
	Cost	Accumulated Amortization	Net Book Value
Office furniture and equipment	\$133,730	\$133,530	\$200
Computer hardware and software	598,414	520,923	77,491
	<u>\$723,144</u>	<u>\$654,453</u>	<u>\$77,691</u>

The Council has entered into an agreement with a software provider to design and develop a new on-line grants management system for a total cost of \$70,840. As at March 31, 2018, the total costs incurred pursuant to this contract amounted to \$49,588 with \$21,252 remaining to be incurred in 2019. As at March 31, 2018, the total net book value of capital assets not subject to amortization is \$49,588 (2017 - \$nil).

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 (2017 - \$nil). Total expenditures on collection items during the year amounted to \$224 for framing and repairs (2017 - \$2,662). The most recent appraisal of the visual art collection was completed in 2005 indicating a market value of \$449,222.

7. Collections (continued)

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 (2017 - \$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:

	2018	2017
Trade payables and accruals	\$28,436	\$17,333
Accrued vacation entitlements	82,793	79,012
Accrued overtime entitlements	10,704	1,195
Other accruals	600	857
	<u>\$122,533</u>	<u>\$98,397</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 \$58,659 (2017 - \$59,900) 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, 2018, the Council recorded a severance liability of \$112,491 (2017 - \$98,945) 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 3.8% (2017 - 6%) rate of return and 3.75% (2017 - 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, 2016.

The periodic actuarial valuations of this liability may determine that adjustments are needed when actual experience is different than expected or when there are changes in the actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the employee group of 15 years.

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

	2018	2017
Severance liability, beginning of year	\$98,945	\$85,755
Actuarial (gains) losses	(9,000)	-
Interest cost	4,030	5,146
Current service cost	10,116	8,044
Severance benefits paid during the year	-	-
	<u>104,091</u>	<u>98,945</u>
Less: Unamortized actuarial (gains) losses	<u>8,400</u>	<u>-</u>
Severance liability, end of year	<u>\$112,491</u>	<u>\$98,945</u>

10 Commitments

The Council has entered into an agreement to lease office premises for ten years commencing April 1, 2012, expiring March 31, 2022. The 2018 basic annual rent was \$131,013. The 2019 basic annual rent is estimated to be \$132,360. Expenses arising from an escalation clause for taxes, insurance, utilities and building maintenance are in addition to the basic rent.

11. Interfund Transfers and Internally Restricted Fund Balances

In 2018, there were no internally restricted funds allocated to programs. In addition, \$445,873 (2017 - \$395,412) 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 during 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 (2017 - \$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 principally 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:

	2018	2017
Cash and cash equivalents	\$968,905	\$435,205
Accounts receivable	24,164	1,214
Portfolio investments	213,718	212,160
Recoverable from the Province of Manitoba	36,000	36,000
	<u>\$1,242,787</u>	<u>\$684,579</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 through 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, 2018 is \$nil (2017 - \$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 2018	Total 2017
Salaries and benefits	\$469,657	\$74,745	\$544,402	\$597,537
Jurors' fees and expenses	42,412	5,464	47,876	61,030
Rent	65,830	13,146	78,976	78,156
Communications	27,423	0	27,423	32,743
Staff travel and expenses	2,092	1,287	3,379	2,749
Postage, courier and telephone	8,187	1,270	9,457	10,564
Office supplies	586	117	703	1,052
Sundry	0	0	0	257
Memberships & partnerships	9,720	0	9,720	10,077
	\$625,907	\$96,029	\$721,936	\$794,165

SCHEDULE 2 - ADMINISTRATIVE EXPENSES

YEAR ENDED MARCH 31, 2016

	Grants & Programs Fund 2018	2017
Salaries and benefits	\$517,626	\$458,825
Council expenses	32,167	42,404
Rent	52,606	61,694
Postage, courier and telephone	11,914	12,225
Office supplies, printing and stationery	8,915	9,945
Communications:		
Recruitment costs	352	18
Advocacy	7,230	3,639
Annual report	8,231	8,077
Strategic planning	7,812	20,890
Amortization	12,657	14,019
Equipment repairs and maintenance	43,386	45,981
Professional fees	70,614	25,281
Memberships and subscriptions	15,252	14,582
Insurance and sundry	5,741	9,508
Staff travel and expenses	4,664	7,362
Other (Art Bank Administration)	15,224	18,658
	\$814,391	\$753,105