



MEMORANDUM

To: Calgary City Council
From: Brian Frank, Chair of the Board and Patti Pon, President & CEO
Date: May 12, 2020
Subject: Calgary Arts Development Budget: Setting the Record Straight

During the City of Calgary's Strategic Meeting of Council on Monday, May 11, 2020, Cllr. Chu made a statement regarding Calgary Arts Development Authority (CADA) spending of additional funds received from the City of Calgary in 2019. Specifically, Cllr Chu stated that "most of our increase went to benefits and new staff." For the record, in 2019 CADA allocated 88% of additional funding to the arts sector in Calgary through its various grant programs.

Below we are sharing details of CADA's budget funding and granting allocations to ensure that any discussion of CADA funding and granting is based on facts and real numbers.

Our record demonstrates a commitment to running effective, efficient and thoughtful grant investment programs that support hundreds of arts organizations and artists in Calgary, the broader arts community, and ultimately the citizens of Calgary.

As part of CADA's Civic Partner Agreement with the City, a minimum of 75% of our budgetary funding from the City must be spent on grants to arts organizations and artists. We have always met or exceeded that requirement.

In 2018, CADA received **\$6,400,000** from the City of Calgary as a total funding budget and distributed **\$4,828,255** in grants directly to hundreds of arts organizations and artists. That represents **75.4%** of the City's funding

In 2019, after an **88%** increase to our funding, CADA received **\$12,040,000** from the City of Calgary as a total grant. CADA allocated **88%** of that increase directly as grants by investing **\$9,789,980** directly to arts organizations and artists. That represents **81.3%** of the City's funding and a **102%** increase of support to the sector compared to 2018.



With regard to direct salaries and benefits costs at CADA, the significance of the increase to our granting pools in 2019 over 2018 did require additional recourse including staff positions to address the additional work. Further, we also took this opportunity to make adjustments to some existing positions in order to align to other comparable agencies as reported in industry salary surveys for the not for profit sector. Of note, not for profit salary and benefit levels are substantially below comparable levels in the City of Calgary and other government organizations. The increase to salaries and benefits (including new hires,) in 2019 equaled **5.5% (\$331,458)** of the total increase to CADA funding. Salaries and benefits represented 11% of CADA funding in 2018 and 9% of CADA funding in 2019. Furthermore, our direct admin/overhead also **decreased** from **8% to 6%** of total budget in 2018 and 2019, respectively.

The \$2 million in Emergency Resiliency Funding approved on May 11 is a much-needed injection of support into Calgary’s arts sector during this challenging and unprecedented time. In 2017 when Council invested \$2 million in bridge funding to Calgary’s Cornerstone companies, CADA granted out 100% of that funding, relying on existing organizational capability to allocate the additional funding. Likewise, in 2016-2017 CADA granted out \$1,980,000 out of \$2 million in Emergency Resiliency Funding, with 99% going out in grants.

We hope this memo clarifies any confusion about how the City’s grant to Calgary Arts Development is used to benefit the arts sector who in turn contribute to Calgary’s economic and social well-being. If you would like more information, we would be happy to go through our budget and financials in whatever level of detail you feel appropriate. At our upcoming AGM in June, we will provide a full report for the year (2019) including a complete list of all grants awarded and audited financial statements.

	2018 Totals	2018 % of budget	2019 Totals	2019 % of budget
City Funding	\$ 6,400,000		\$ 12,040,000	
Grants	\$ 4,828,255	75%	\$ 9,789,980	81%
Grants and Impact Delivery	\$ 935,300	15%	\$ 748,045	6%
Admin/Overhead	\$ 540,523	8%	\$693,103	6%
Arts Development	\$ 581,132	9%	\$ 879,230	7%
TOTAL*	\$ 6,885,210	108%	\$ 12,113,567	101%

*Totals includes non-City revenues and expenses in order to align with our audited financial statements