
Non-consolidated financial
statements of
**Calgary Arts Development
Authority Ltd.**

December 31, 2025

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Independent Auditor's Report

To the Board of Directors of
Calgary Arts Development Authority Ltd.

Opinion

We have audited the non-consolidated financial statements of the Calgary Arts Development Authority Ltd. ("CADA"), which comprise the non-consolidated statement of financial position as at December 31, 2025, and the non-consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CADA as at December 31, 2025, and the results of its operations, its remeasurement gains and losses, changes in its net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CADA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing CADA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CADA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CADA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 CADA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CADA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CADA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within CADA as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
March 19, 2026
Calgary, Alberta


Calgary Arts Development Authority Ltd.
Non-consolidated statement of financial position
As at December 31, 2025

	Notes	General Fund \$	Public Arts \$	2025 Total \$	General Fund \$	Public Arts \$	2024 Total \$
Assets							
Current assets							
Cash and cash equivalents		2,178,754	5,552,083	7,730,837	566,395	1,983,476	2,549,871
Short term investments	5	—	6,563,192	6,563,192	2,003,550	10,084,000	12,087,550
Accounts receivable	12	86,757	188,000	274,757	209,870	—	209,870
Goods and services tax receivable		30,477	16,303	46,780	30,853	26,056	56,909
Loan receivable	6	55,000	—	55,000	—	—	—
Note receivable	7	62,986	—	62,986	57,835	—	57,835
Prepaid expenses		100,088	5,890	105,978	141,839	186,996	328,835
Refundable deposits		16,764	—	16,764	27,321	—	27,321
		2,530,826	12,325,468	14,856,294	3,037,663	12,280,528	15,318,191
Capital assets	3	74,534	—	74,534	200,947	—	200,947
		2,605,360	12,325,468	14,930,828	3,238,610	12,280,528	15,519,138
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities		906,557	23,732	930,289	1,247,274	27,150	1,274,424
Employee deductions payable		—	—	—	21,762	—	21,762
Grant liabilities	8	5,250	22,112	27,362	4,500	22,112	26,612
Deferred contributions	9	30,000	10,512,627	10,542,627	82,720	10,882,160	10,964,880
		941,807	10,558,471	11,500,278	1,356,256	10,931,422	12,287,678
Commitments	16						
Net assets							
Internally restricted	10	1,663,553	1,766,997	3,430,550	1,882,354	1,349,106	3,231,460
		2,605,360	12,325,468	14,930,828	3,238,610	12,280,528	15,519,138

The accompanying notes are an integral part of the non-consolidated financial statements.

Approved by the Board

 _____, Director

 _____, Director

Calgary Arts Development Authority Ltd.
Non-consolidated statement of operations
Year ended December 31, 2025

	Notes	General Fund \$	Public Arts \$	2025 Total \$	General Fund \$	Public Arts \$	2024 Total \$
Revenue							
City of Calgary grant	12	20,661,660	4,097,693	24,759,353	19,893,663	3,321,561	23,215,224
Interest income		122,344	360,447	482,791	143,731	442,947	586,678
Revenue from other sources	13	209,794	—	209,794	806,299	—	806,299
Program income		116,209	—	116,209	137,332	—	137,332
Rent	17	—	—	—	2,532	—	2,532
Foreign exchange gain		—	—	—	1,091	—	1,091
		21,110,007	4,458,140	25,568,147	20,984,648	3,764,508	24,749,156
Expenses							
Grant expense – City of Calgary	14	14,935,364	716,909	15,652,273	14,413,825	368,916	14,782,741
Salaries and employee benefits		2,576,352	647,151	3,223,503	2,268,763	466,732	2,735,495
Consulting and project management		1,096,085	1,075,100	2,171,185	786,281	892,935	1,679,216
Advertising and promotion		1,079,395	147,635	1,227,030	911,854	145,153	1,057,007
Artist and speaker fees		260,759	546,432	807,191	77,801	508,568	586,369
Installation costs		—	580,749	580,749	—	543,850	543,850
Honorariums		315,507	136,350	451,857	168,372	83,851	252,223
Rent		349,057	117	349,174	266,169	2,851	269,020
Catering and hosting		207,950	50,027	257,977	221,578	61,983	283,561
Telecommunications		163,904	12,194	176,098	169,810	26,203	196,013
Office supplies		105,311	6,850	112,161	97,100	8,449	105,549
Travel and parking		52,034	40,725	92,759	66,787	25,470	92,257
Professional fees		83,658	—	83,658	58,537	2,947	61,484
Bad debts		78,442	—	78,442	—	—	—
Grant expense – other	15	59,000	—	59,000	723,500	—	723,500
Amortization		34,637	—	34,637	75,531	—	75,531
Bank charges and miscellaneous		10,590	10	10,600	7,150	79	7,229
Foreign exchange loss		763	—	763	—	—	—
		21,408,808	3,960,249	25,369,057	20,313,058	3,137,987	23,451,045
Excess of revenue over expenses		(298,801)	497,891	199,090	671,590	626,521	1,298,111

The accompanying notes are an integral part of the non-consolidated financial statements.

Calgary Arts Development Authority Ltd.
Non-consolidated statement of changes in net assets
Year ended December 31, 2025

		General Fund			Public Arts			2025
		Internally restricted	Unrestricted	Total	Internally restricted	Unrestricted	Total	Total
Notes		\$	\$	\$	\$	\$	\$	\$
		(Note 9)			(Note 9)			
Net assets, beginning of year		1,882,354	—	1,882,354	1,349,106	—	1,349,106	3,231,460
Excess of revenue over expenses		—	(298,801)	(298,801)	—	497,891	497,891	199,090
Interfund transfer		(298,801)	298,801	—	497,891	(497,891)	—	—
Transfer from Public Art Fund to General Fund	10	80,000	—	80,000	(80,000)	—	(80,000)	—
Net assets, end of year		1,663,553	—	1,663,553	1,766,997	—	1,766,997	3,430,550

		General Fund			Public Arts			2024
		Internally restricted	Unrestricted	Total	Internally restricted	Unrestricted	Total	Total
Notes		\$	\$	\$	\$	\$	\$	\$
		(Note 9)			(Note 9)			
Net assets, beginning of year		1,130,764	—	1,130,764	802,585	—	802,585	1,933,349
Excess of revenue over expenses		—	671,590	671,590	—	626,521	626,521	1,298,111
Interfund transfer		671,590	(671,590)	—	626,521	(626,521)	—	—
Transfer from Public Art Fund to General Fund	10	80,000	—	80,000	(80,000)	—	(80,000)	—
Net assets, end of year		1,882,354	—	1,882,354	1,349,106	—	1,349,106	3,231,460

The accompanying notes are an integral part of the non-consolidated financial statements.

Calgary Arts Development Authority Ltd.
Non-consolidated statement of cash flows
Year ended December 31, 2025

	2025	2024
	\$	\$
Operating activities		
Excess of revenue over expenses	199,090	1,298,111
Add back non cash items		
Amortization of capital assets	34,637	75,531
Changes in non cash working capital		
Accounts receivable	(64,887)	2,528,266
Goods and services tax receivable	10,129	16,848
Prepaid expenses	222,857	(100,060)
Refundable deposits	10,557	1,769
Accounts payable and accrued liabilities	(344,135)	(758,518)
Employee deductions payable	(21,762)	(6,392)
Grant liabilities	750	(139,992)
Deferred contributions	(422,253)	136,093
	(375,017)	3,051,656
Investing activities		
Redemption of short term investments	27,024,358	17,060,324
Purchase of short term investments	(21,500,000)	(23,087,550)
Purchase of capital assets	(25,000)	—
Receipt of tenant improvement allowance	116,776	—
Advancement of loan receivable	(55,000)	—
Advancement of note receivable	(5,151)	(4,284)
	5,555,983	(6,031,510)
Increase (decrease) in cash and cash equivalents	5,180,966	(2,979,854)
Cash and cash equivalents, beginning of year	2,549,871	5,529,725
Cash and cash equivalents, end of year	7,730,837	2,549,871

The accompanying notes are an integral part of the non-consolidated financial statements.

1. Purpose of organization

The 2004 Calgary Civic Arts Policy led to the Calgary City Council's creation of Calgary Arts Development Authority Ltd. ("CADA"). CADA is a not-for-profit organization incorporated under the Alberta Business Corporations Act on March 18, 2005. CADA is The City of Calgary's arts development authority that promotes and directs investments in the arts to increase the sector's public and artistic impact on behalf of the citizens of Calgary. The Calgary Civic Arts Policy also directs CADA to create arts development strategy for Calgary. CADA is a government not-for-profit organization as it is controlled by the City of Calgary.

Management has determined that under Section 149 of the Income Tax Act, CADA is not subject to the payment of income tax.

2. Significant accounting policies

The non-consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS"), including the 4200 series of standards. CADA's significant accounting policies are as follows:

(a) Basis of presentation and disclosure of controlled not-for-profit organization

These financial statements have been prepared on a non-consolidated basis. Financial details regarding cSPACE Projects ("cSPACE"), a controlled entity, is disclosed in Note 17 to these non-consolidated financial statements.

(b) Non-use of non-consolidated statement of remeasurement gains and losses

As there are no items to be reported on the non-consolidated statement of remeasurement gains and losses, the statement has not been prepared.

(c) Non-use of net debt model format

PSAS requires a net debt presentation for the non-consolidated statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as net debt or net financial assets as an indicator of the future revenues required to pay for past transactions and events. CADA operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these non-consolidated financial statements do not report a net debt indicator.

(d) Fund accounting

In March 2021, CADA was awarded the public art program from the City of Calgary, which includes the transfer of funding for that program. For specific reporting purposes with the City, the reporting of the activities of CADA is separated into two funds.

The General Fund accounts for CADA's program delivery (which includes the grant investment program, communications and engagement and arts development programs) and administrative activities.

The Public Arts Fund accounts for CADA's activities in Calgary's public arts. This includes the commissioning and installation of public art as well as programming for public art.

2. Significant accounting policies (continued)

(e) Revenue recognition

CADA follows the deferral method of accounting for contributions.

Externally restricted contributions, such as grants, revenue from other sources, miscellaneous income designated for a specific purpose, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, such as grants, revenue from other sources, program income not designated for a specific purpose are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program income related to an event is recognized after the event has occurred.

Interest revenue is recognized when it is earned.

Rental revenue is recognized in the period during which occupancy took place.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

(g) Investments

Investments are comprised of Guaranteed Investment Certificates ("GICs") and fixed income instruments with maturities greater than 90 days and related accrued interest. Investments maturing in one year or less from the date of the non-consolidated statement of financial position are classified as short-term investments; investments with longer maturities are classified as long-term investments.

(h) Capital assets

Purchased capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses, and assets purchased under \$10,000 are expensed. When a capital asset no longer contributes to CADA's ability to provide services, its carrying amount is written down to its residual value.

Amortization is provided by using the straight-line method to amortize the cost of the assets over their estimated useful lives as follows:

Computer equipment	4 years
Leasehold improvements	5 years
Office equipment	3 years

(i) Contributed goods and services

Volunteers contribute many hours per year to assist CADA in carrying out its services and programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the non-consolidated financial statements. There were nil contributed goods during the year (nil in 2024).

(j) Non-monetary transactions

Non-monetary transactions which contain commercial substance are recorded at the fair market value of the asset given up. There were nil non-monetary transactions during the year (nil in 2024).

2. Significant accounting policies (continued)

(k) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. CADA has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CADA determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount CADA expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(l) Management estimates

The preparation of non-consolidated financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the non-consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include valuation of accounts receivable, and the useful lives of capital assets and related amortization. Actual results could differ from those estimates.

3. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
	\$	\$	\$	\$
Leasehold improvements	199,592	134,191	65,401	185,282
Computer equipment	14,110	14,110	—	—
Office equipment	55,137	46,004	9,133	15,665
Balance, end of the year	268,839	194,305	74,534	200,947

4. Financial instruments

CADA’s financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, goods and services taxes receivable, refundable deposits, note receivable, accounts payable and accrued liabilities, employee deductions payable and grant liabilities, all of which are measured at amortized cost. Due to their short-term nature, the carrying value of financial instruments approximate their fair market value. It is management’s opinion that CADA is not exposed to significant interest rate risks arising from these financial instruments.

(a) Foreign exchange risk

CADA is exposed to the financial risk related to the fluctuation of foreign exchange rates. Their revenue is based on the Canadian dollar, but incurs some consulting expenses in U.S. dollars. A significant change in currency exchange rates of the U.S. dollar relative to the Canadian dollar could have an effect on CADA’s results of operations, financial position and cash flows. CADA does not use derivative instruments to reduce its exposure to foreign exchange risk.

The carrying amount of foreign currency denominated monetary assets and liabilities is as follows:

	2025	2024
	\$	\$
Cash and cash equivalents	372	95
Prepaid expenses	5,052	14,479

(b) Credit risk

Credit risk refers that a counterparty may default on its contractual obligations resulting in a financial loss. CADA is exposed to credit risk with respect to cash and cash equivalents, note receivable, short-term investments and accounts receivable. Cash and cash equivalents and short-term investments are deposited with chartered Canadian commercial banks. Substantially all of CADA’s accounts receivable are due from well known funders and are subject to normal credit risk.

(c) Liquidity risk

Liquidity risk is the risk that CADA will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or other financial assets. Liquidity requirements of CADA are met through maintaining sufficient cash to meet short term obligations.

There has been no significant change in these risks from the prior year.

5. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates (GICs) with interest rates, principal amounts, and maturity dates as follows:

- \$4,000,000 with an annual interest rate of 2.55%, maturing March 23, 2026
- \$2,500,000 with a prime rate linked interest rate (at December 31, 2025 – 2.45% per annum), maturing May 15, 2026

In 2024, short-term investments consisted of GICs with interest rate, principal amounts and maturity dates as follows:

- \$4,000,000 with an annual interest rate of 3.37%, matured June 10, 2025
- \$2,500,000 with a prime rate linked interest rate (at December 31, 2024 – 3.45% per annum), matured May 15, 2025
- \$2,000,000 with a prime rate linked interest rate (at December 31, 2024 - 3.45% per annum), matured December 12, 2025
- \$1,500,000 with an annual interest rate of 3.51%, matured on March 12, 2025
- \$1,000,000 with an annual interest rate of 3.37%, matured on June 10, 2025
- \$1,000,000 with a prime rate linked interest rate (at December 31, 2024 – 3.45% per annum), matured December 12, 2025

6. Loan receivable

During 2025, CADA advanced a \$55,000 loan to an arm's length organization. This loan is non-interest bearing with a maturity date of December 31, 2025. It is the expectation of management that this loan will be repaid in full.

7. Note receivable

During 2023, CADA advanced \$50,000 to an arm's length private company in return for a convertible promissory note receivable. This note bears interest at 8%, compounded annually, and had an original maturity date of December 31, 2024. This note receivable entitles CADA to either request full repayment of the note, including interest, or conversion of the note to common shares of the company. This note is also convertible prior to maturity at the option of CADA in the event of the company experiencing a change in control or if the company obtains external financing of at least \$500,000.

On November 30, 2024 an extension was granted for this note, extending the maturity date to December 19, 2025. All other terms and conditions of the note remain.

On December 19, 2025 an extension was granted for this note, extending the maturity date to March 19, 2026 with no further interest accruing on the note.

It is the intention of management to exercise the conversion feature of the note.

8. Grant liabilities

	2025	2024
	\$	\$
Balance, beginning of the year	26,612	166,604
Add: liabilities approved during the year	14,958,864	14,963,825
Less: liabilities paid out during the year	(14,958,114)	(15,103,817)
Balance, end of the year	27,362	26,612

The above balances consist of grant liabilities to the following programs or organizations:

	2025	2024
	\$	\$
Public Art Microgrants	22,112	22,112
Celebration of the Arts Grants	5,250	—
Future Focus Grants	—	4,500
	27,362	26,612

These liabilities will be paid out in accordance with funding agreements with funded programs and organizations.

9. Deferred contributions

Deferred contributions are comprised of unspent externally restricted grants and other revenue.

	2025	2024
	\$	\$
Calgary Public Art Capital Funds (Note 11)	10,512,627	10,882,160
Cultural Spaces Report	30,000	—
Creative Spaces Innovation Lab	—	52,730
Spaces	—	29,990
	10,542,627	10,964,880

Continuity of deferred contributions is as follows:

	2025	2024
	\$	\$
Balance, beginning of year	10,964,880	10,828,787
Less: amount recognized as revenue in the year	(3,380,413)	(2,586,407)
Add: amount received related to future years	2,958,160	2,722,500
Balance, end of the year	10,542,627	10,964,880

10. Internally restricted

The Board has internally restricted the following amount for specific purposes:

- (a) General Fund Contingency Operating Reserve – \$521,292 (\$740,093 in 2024)

These funds are internally restricted by the Board for the purpose of addressing short term fluctuations in operating costs of the General Fund.

- (b) General Fund Community Investment Reserve – \$1,142,261 (\$1,142,261 in 2024)

These funds are internally restricted by the Board for the purposes of funding strategic initiatives in accordance with the strategic plan approved by the Board from time to time.

- (c) Public Art Fund Operating Reserve – \$1,766,997 (\$1,349,106 in 2024)

These funds are internally restricted by the Board for the purpose of addressing short term fluctuations in operating costs of the Public Art Fund.

- (d) Public Art Capital Project Reserve – nil (nil in 2024)

This reserve is internally restricted by the Board for the purpose of funding capital projects initiated by the Public Art Program. To December 31, 2025, this reserve has not been funded.

11. Transfer between funds

During the year, as approved by the Board, CADA transferred \$80,000 (\$80,000 in 2024) from the Public Arts Fund to the General Fund to provide for administration expenses of the Public Arts Fund.

12. City of Calgary grant

During the year, in accordance with the 4-Year funding agreement (“Funding Agreement”) with the City of Calgary, and as approved in the City of Calgary budget, CADA received \$19,541,670 (\$18,844,430 in 2024) in funding to provide grants directly to artists and arts organizations. The Funding Agreement requires annual grants allocated at a minimum of 75% of this funding. The actual grants advanced during the year represent 76% (76% in 2024) of this funding.

CADA received \$1,000,000 (\$1,000,000 in 2024) to support activities in the arts sector to support the City and other Civic Partners strategies where arts and culture have been identified as integral contributors.

CADA received \$50,000 (nil in 2024) to a feasibility study for Living a Creative Life as well as another \$40,000 (nil in 2024) for a feasibility study for an outdoor winter event that is held in the Downtown Core.

The City also agreed to fund \$30,000 for a Cultural Spaces report, which is receivable at year end (nil in 2024). This income is deferred to a future year.

In addition, in accordance with the Agreement Letter Update 1 signed dated May 4, 2023, CADA received \$800,000 in operating funds (\$800,000 in 2024) to administer the Public Art Program and an additional \$2,722,500 (\$2,722,500 in 2024) in capital funding to be spent on capital art projects which have been approved within the agreement letter, of which nil is receivable at year end (nil in 2024). In 2025 \$10,332,288 of this capital funding has been deferred to a future year (\$10,882,160 in 2024).

CADA received \$205,660 (nil in 2024), of which \$188,000 is receivable at year end (nil in 2024) in capital funding for 2 capital projects outside of the original Agreement Letter referenced above. In 2025, \$180,339 of this capital funding has been deferred to a future year (nil in 2024).

13. Revenue from other sources

	2025	2024
	\$	\$
Calgary Hotel Association	60,000	30,000
Canada Council of the Arts	52,730	9,336
Celebration of the Arts (Artist Legacy Awards)	36,750	36,750
Calgary Arts Foundation (Note 17)	24,000	290,000
Redpoint Media	23,114	15,313
Poet Laureate	9,000	7,500
Canada Summer Student Grant	4,200	8,400
Future Focus	—	398,500
Tourism Calgary	—	10,500
	209,794	806,299

14. Expenses by department

	2025	2024
	\$	\$
Community investment	17,100,684	16,437,105
Public arts	3,960,249	3,137,987
Operations	1,708,538	1,873,342
Engagement	1,540,240	1,223,178
Communication	1,059,347	779,433
	25,369,057	23,451,045

15. Grants expense from other sources

	2025	2024
	\$	\$
Celebration of the Arts (Artist Legacy Awards)	35,000	35,000
Calgary Arts Foundation (Note 17)	24,000	290,000
Future Focus	—	398,500
	59,000	723,500

16. Commitments

In May 2022, CADA entered into a lease agreement for new premises of 7,785 square feet with a commencement date of January 1, 2025, and an expiry of July 31, 2027. Once the lease commenced, CADA was entitled to a leasehold improvement allowance of \$15 per square foot (a total allowance of \$116,775). The estimated minimum annual rental payments, including estimated operating costs, are as follows:

	<u>\$</u>
2026	171,270
2027	<u>99,908</u>
	<u>271,178</u>

In November 2023, CADA signed a lease agreement for a photocopier, which expires in January 2027. The minimum annual rental payments are as follows:

	<u>\$</u>
2026	<u>4,049</u>
	<u>4,049</u>

In December 2024, CADA signed a three-year agreement for advertising, with an anticipated end date of October 2027 (or the date of the third publication, whichever occurs last). The agreement provides that the advertising company will supply 30,000 copies of an annual publication for the three-year term. The costs for the first publication in 2025 was \$77,512 including printing and distribution costs.

In November 2023, CADA signed a three-year agreement for granting with the controlled entity cSPACE (see Note 17) to provide annual operating grants of \$240,000 per year, subject to future decisions by City of Calgary Council as follows:

	<u>\$</u>
2026	<u>240,000</u>
	<u>240,000</u>

In November 2024, CADA signed a two-year agreement for support services for software used in the granting platform, with an end date of October 31, 2026. This agreement permits up to 5 hours of support each month, any excess hours will be billed at regular rate. The cost for each year is \$11,780. The balance for 2026 of \$11,780 is included in prepaid expenses.

16. Commitments (continued)

CADA has an existing agreement with the City of Calgary for the transfer of the Public Arts program to CADA, which expires December 31, 2026 and has a renewal option available for the period of January 1, 2027 to December 31, 2031. As part of the agreement, the City has agreed to provide additional capital funding sourced from the City's Public Art Policy where the additional funding is anticipated to be paid as follows:

	\$
2026	<u>2,722,500</u>
	<u>2,722,500</u>

Over the course of the initial agreement to December 31, 2026, the capital funding provided must be used for the following types of projects and expenses: artist commissions, project expenses not paid by the artists directly, consultant fees, informational awareness programs, programming to create awareness and engagement with the public art collection, marketing for individual projects and the program overall, web development and maintenance, and legal fees specific to public art projects or the public art program overall. It is expected that the average spend rate at the end of the agreement (December 31, 2026) will be a minimum of 60% of total capital funding provided by the City. The current amount of deferred funding is described in Note 9.

17. Controlled and related entity – cSPACE Projects

CADA is a shareholder of, and controls, the non-profit corporation, cSPACE Projects ("cSPACE"), by virtue of holding 99% of the voting shares. cSPACE was incorporated in Alberta on October 27, 2011 under the Alberta Corporations Act. The purpose of cSPACE is to promote, coordinate and facilitate real estate projects that establish affordable facilities, accommodations and education opportunities for artists and registered non-profit organizations operating in the arts and community sector. cSPACE has not been consolidated with CADA's non-consolidated financial statements.

Financial summaries of cSPACE as at December 31, 2025 and 2024 and for the years then ended are as follows:

	2025	2024
	\$	\$
Financial position		
Total assets	22,757,386	23,655,710
Total liabilities	(13,680,466)	(14,237,133)
Net assets	9,076,920	9,418,577
Results of operations		
Total revenues	2,713,145	2,396,607
Total expenses	(3,054,802)	(2,982,705)
Deficiency of revenues over expenses	(341,657)	(586,098)
Cash flows		
Cash flows from operating activities	185,471	21,187
Cash flows from financing activities	11,352	22,985
Cash flows used in investing activities	(127,127)	(51,377)
	69,696	(7,205)

17. Controlled and related entity – cSPACE Projects (continued)

During 2025, pursuant to the Memorandum of Understanding between cSPACE and CADA (see Note 16), CADA granted \$240,000 (\$240,000 in 2024) of funding to cSPACE. Two additional grants were paid during 2025 (two in 2024) for a total of \$80,000 (\$80,000 in 2024). In addition to the grants, \$1,600 in venue rental costs was also provided in 2025 (\$4,578 in 2024), sponsorship of \$5,000 (\$10,000 in 2024) and honorariums of nil (\$910 in 2024). Under the Memorandum of Understanding, CADA will provide operating funds of \$240,000 to cSPACE in accordance with the budget allocation in 2024 to 2026.

Pursuant to the sub-lease agreement, cSPACE also paid rent to CADA of nil in 2025 (\$2,532 in 2024).

The transactions are measured at the exchange amounts as they occur within the normal course of business.

18. Related party – Calgary Arts Foundation

During 2018, CADA formed a registered charity for tax purposes, the Calgary Arts Foundation (the "Foundation"). The Foundation's purpose is to increase fundraising for CADA in order to strengthen the arts in Calgary. CADA does not have control over the Foundation, as CADA is not involved in the decision making of the Foundation and there are no common Board members. CADA does have an economic interest in the Foundation and both entities share overlapping staff, however the economic interest is not considered significant.

During 2025, the Foundation donated \$24,000 (\$290,000 in 2024) to CADA. Additionally, the Foundation reimbursed CADA \$6,794 for administration costs (\$782 in 2024).