



**BUTTON
FACTORY
ARTS CENTRE**

Annual Report

January - December 2025

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Land Acknowledgement

City of Waterloo is situated on the land traditionally cared for by the Haudenosaunee, Anishnaabe and Chonnonton Peoples.

We acknowledge the enduring presence and deep traditional knowledge and philosophies of the Indigenous People with whom we share this land today.

About Us

The City of Waterloo 1992 Cultural Master Plan identified the need for a community arts centre with performance and exhibition space for local artists, especially those who identified as grassroots, or developing.

On February 11th, 1993, one hundred people gathered at the Adult Recreation Centre in Waterloo to discuss the formation of the Waterloo Community Arts Centre (WCAC) now known as Button Factory Arts Centre. A proposal was presented to the City of Waterloo and it was agreed that the WCAC be given a three year mandate to create a self supporting art centre in the Old Button Factory.

WCAC (Button Factory Arts Centre) was established in 1994, and in September 1996, was granted a long-term lease on the Button Factory, which has now become a vital part of Uptown Waterloo. Button Factory Arts Centre is a non-profit, charitable organization incorporated under the province of Ontario. It exists to promote all forms of art programs in the community including: performances, classes, workshops, special events and art exhibitions.





Summer Camp 2025, Junior Group

Our Mission, Vision & Values

Founded in 1994, the Waterloo Community Arts Centre, operating as Button Factory Arts Centre, is a nonprofit organization dedicated to fostering creativity, artistic exploration, and community engagement through the arts. Our mission is to enliven Waterloo Region as an inclusive hub that inspires and facilitates artistic expression by providing accessible opportunities for people of all ages and backgrounds to create, learn, share, and experience the arts. For more than 30 years, Button Factory Arts Centre has served as a vital cultural resource in Waterloo Region, offering a diverse range of arts programming including classes, workshops, camps, exhibitions, performances, special events, and affordable space for artists and community groups. Our programs support both emerging and established artists while creating opportunities for meaningful public participation in the arts.

Currently, much of our programming is focused on visual arts, reflecting the capabilities of our facilities while we have been under construction for the past two years. Each year, we deliver hundreds of courses, workshops, and open studio opportunities for adults, youth, and children, as well as extensive camp programming, rotating gallery exhibitions, artisan markets, and community events.

Our organization is committed to reducing barriers to arts participation by providing affordable, welcoming, and inclusive opportunities for creative engagement. Over the past two years, Button Factory Arts Centre has experienced significant organizational growth. We have more than doubled both our revenue and our programming activity, demonstrating strong community demand for our services and our capacity to successfully expand operations.

Through our ongoing commitment to artistic excellence, community engagement, accessibility, and affordability, Button Factory Arts Centre continues to strengthen the cultural vitality of the region while creating opportunities for people to connect, learn, and create through the arts.

Report From the Board Chair

Susan Cresswell



Welcome to the Annual General Meeting of the Button Factory Arts Centre. I am pleased that you made the time to join us tonight.

One of my passions is photography. I just got back from a trip to the Canadian Rockies where I was surrounded by the most breathtaking landscapes. After I get back from one of these trips, there is always the challenge of deciding which images I will delete and which ones I will work on in post-processing. I am getting better at navigating my way through Lightroom, one of the most popular processing tools. I am not, however, getting any more confident in using Photoshop, another editing tool.

One tool in Photoshop that frankly terrifies me is called Transform. If you apply this tool to a photograph, you can push it, pull it, rotate it and twist it until it becomes something entirely different than it was before. All the original elements are there, but they are changed.

In the past year, the Button has undergone many changes. We have hit the “transform” button. Some changes are physical. None is

more evident than the space we are sitting in now. What once was classroom space is now a dedicated performance venue, complete with lighting and sound equipment. The floors have been refinished. The walls have been painted. Some remnants of our history have been revealed. We have new gallery space on the second floor. Our accessible washrooms have finally been completed. Staff work spaces are evolving.

There have been changes on the administrative side. We have a new inventory system for the gift shop. Our by-laws have been rewritten and our staff is growing.

But we have not ignored our creative side. This is perhaps the most exciting area of transformation. Our course offerings for adults and children have broadened. Whether you are interested in a series of classes or a one-day workshop, we have something to offer you. Our summer camps have grown and our Family Sundays are very popular. We are participating in community-wide events such as Lumen.

Our amazing staff members have been at the centre of these transformations. They have worked hard, sometimes under pretty trying circumstances, to make these changes happen and to keep our mandate in mind as they do so. We are an arts centre and that is our focus.

So, on behalf of the Board, thank you to Erin, Lupita, Abi, Diana, Lee, and their fearless leader, Emma. Thank you to our dedicated instructors and Board members. And thank you to all of you for supporting the Button Factory Arts Centre. We couldn't do it without you!

Report From the Executive Director

Emma Walker

The past several years have been a period of significant change at the Button Factory Arts Centre. Importantly, this change was not undertaken simply for the sake of growth. It was necessary.

In 2022 and 2023, BFAC experienced significant operating deficits. At the same time, we were facing fundamental changes to the building and to the terms under which we operate. Our previous performance space could no longer be used for performing arts because of structural limitations identified by the City of Waterloo, and our new lease, signed May 2026, brought additional requirements and restrictions on how the building could be used. And this was all partnered with significant staffing and leadership changes.

We therefore had to rethink how BFAC operates — both financially and programmatically — with the goal of achieving long-term solvency while continuing to serve the community.

One of the most significant changes has been the relocation of performing arts activities to the first floor and the redevelopment of the second floor for visual arts. Paired with the accessible washroom construction, this required an extended period of construction and disruption, but it has also given us an opportunity to create a more accessible and purpose-built performing arts space while expanding our visual arts capacity.

The financial impact of this transition has been substantial. Rental revenue, which had previously generated approximately \$42,000 annually (historically between 15 and 20% of our budget), fell to just \$2,185 in 2025



Emma Walker
Executive Director

while the performance space was unavailable. At the same time, however, program revenue more than doubled, from \$130,663 in 2024 to \$270,738 in 2025. Total revenue increased from \$317,062 to \$390,279 despite the loss of the majority of our rental income.

This shift reflects a deliberate move toward a more sustainable operating model: one in which BFAC generates more of its revenue through the programs and services it directly provides, while maintaining affordable access to the arts.

The changes have also resulted in significant growth in participation. Programming, membership, children's activities, adult education and community events have all expanded.

This growth is important not because BFAC needs to be bigger, but because it demonstrates that the organization is building a stronger base of earned revenue and community participation.

As we move through 2026, we are beginning to see the next stage of this transition. Membership is now over 700, doubling in the past year. The new performance space is reopening to arts organizations and independent artists, the new community gallery is operational, and programming continues to expand. At the same time, we are developing a clearer understanding of which activities are financially sustainable and which best align with BFAC's mandate and the requirements of our lease.

There is still work to do. The organization is emerging from a period of substantial financial and physical disruption, and some of the investments required to complete the building transition will continue into 2026. But the direction is significantly different from where BFAC was in 2022 and 2023.

Our objective is not growth for its own sake. It is a financially sustainable Button Factory Arts Centre that can meet its obligations, operate within the realities of its building and lease, and continue to provide meaningful access to the arts for the Waterloo community.

The growth we are seeing in programming and participation is an important part of achieving that objective — and an encouraging indication that the changes we have made are working.



Fibre Arts Juried Exhibition 2025

Programming Report

2025 Annual General Meeting

The growth in programming at the Button Factory over the past three years has been substantial. While 2025 is the formal reporting year for this AGM, looking at 2026 makes it clear that this growth is not a one-year spike—it is an ongoing transformation of the organization.

More opportunities, more participation

In 2024, the Button Factory hosted 154 events with 960 registrations. In 2025, that increased to 269 events and 2,139 registrations. In 2026, we have already reached 365 events and 2,776 registrations—and there are still approximately three months remaining in the year. Engagement in our programming more than doubled in 2025, and we expect an increase of the same numbers in 2026.

The growth is also visible in the range of programming we offer.

Programming	2024	2025	2026
Adult Courses	58	105	150
Adult Workshops	56	67	100
Children's Courses	6	14	31
Family Sundays	0	10	19
Total Events	154	269	365
Total Enrollment	960	2139	TBD

Adult courses have more than doubled since 2024, while children's courses have grown from six to 31. Family programming has gone from no Family Sundays in 2024 to 19 in 2026. Camp has grown too. In 2024, we continued to offer camp in a single age group. In 2025 we split it to two age groups, growing registration 81%, and in 2026, we split it again into three age groups. 2026 registration rates were 325% of 2024s, and despite the growth in available placements, we were still 91% sold out across the summer.

A broader approach to participation

This growth represents more than simply adding activities to the calendar. We have been deliberately building a broader range of ways for people to participate in the arts. Our multi-week courses allow participants to develop skills over time. Our workshops provide accessible opportunities to try something new. Children's programming provides regular opportunities for young people to participate, while Family Sundays create free and welcoming entry points for families. We are also actively participating in more free community events led by other organizations, like the City of Waterloo's LUMEN, Day of Play and Open Streets, and the Uptown BIA's Treats in the Streets.

We are seeing the Button Factory used by a growing number of people across different ages and interests. The goal is not simply to have more activity in the building, but to create more opportunities for people to find something that connects them to the arts—and to encourage them to return.



Lumen 2025, Light-up bug craft

Programming and the changing building

This growth has happened at the same time as major changes to our physical space. Construction and the relocation of our performing arts activities created significant disruption, but the changes have also opened new possibilities.

Our new performing arts space gives us the opportunity to develop performing arts programming alongside rentals. The new community gallery creates another way to support artists and bring audiences into the building. Our classrooms continue to support an expanding schedule of adult and children's programs. The result is a more active and diverse community arts centre. We realize this change was not without disruption, and we appreciate our students and patrons continuing to enroll and visit throughout the changes to the space.

The financial impact of this programming growth is equally significant. Program revenue increased from \$130,663 in 2024 to \$270,738 in 2025—more than doubling in one year. The 2026 budget projects another substantial increase, to over \$400,000 in program revenue.

This is one of the most encouraging developments for the Button Factory. We are not simply offering more programs; we are building a stronger earned-revenue model around participation. For 2026, the budget includes significant project expenditures associated with the performance space, gallery system and other moving and building-related costs. These are investments intended to support the organization's future operations rather than simply the cost of maintaining the status quo.

Looking ahead

The scale of this growth also brings responsibilities. As we offer more programs and welcome more participants, we need to ensure that our staffing, systems, facilities and financial management grow with us. Our challenge is therefore not simply to continue growing, but to grow thoughtfully and sustainably while maintaining the quality, affordability and community focus that make the Button Factory distinctive.

The increase in program revenue has also required an increase in program expenses. In 2025, program supplies and instructor costs were \$92,606, compared with \$49,643 in 2024. General salaries and benefits also increased from \$185,420 to \$213,430. These increases reflect an organization doing more. More courses require more instructor hours and supplies. We are happy to report we are paying instructors on par or above other comparable NPOs in the region.

More programming also requires more staff capacity and administration. Even though we grew this capacity from 2024 to 2025, we are feeling the limitations of our current staffing model with the continued programming growth of 2026. In 2024 we had 119 staff hours per week. We grew this to 157 by the end of 2025, the largest staffing mix in BFAC's history, but it is proving insufficient for our currently levels of operations, and we are looking to grow this area substantially in the 2027 budget to ensure that we have the necessary operational capacity to continue to operate at the new programming level realized.



Drawing with Pastels with Edward Hanson

Financial Report

2025 Annual General Meeting

The Button Factory's financial picture changed significantly in 2025.

This was a year in which the organization was simultaneously managing the financial impact of construction and the loss of rental revenue, while making a major investment in expanding our own programming.

The financial statements show that total revenue increased from \$317,062 in 2024 to \$390,279 in 2025. Expenses also increased, from \$304,162 to \$386,869, resulting in an excess of revenue over expenses of \$3,410.

The most important change, however, is in the composition of that revenue.

A major shift in earned revenue

Rental revenue, historically an important source of income for the Button Factory, fell from \$42,454 in 2024 to only \$2,185 in 2025 as construction and the transition to the new building configuration disrupted our ability to rent the space.

At the same time, program revenue increased from \$130,663 to \$270,738—an increase of more than 100%.

This is an important shift in the organization's business model. Rather than replacing lost rental revenue by simply finding more rentals, we have been investing in our own programming and building an earned-revenue model around participation in the arts.

That investment is beginning to pay off. Our 2026 projection anticipates over \$400,000 in program revenue. Total projected revenue is over \$600,000, compared with \$390,279 in 2025.

Before 2024, we did not have any fiscal year with revenues over \$300,000 so our budget has more than doubled in the last 3 years.

Building for the future

The financial statements also reflect the unusual circumstances of the past two years. The organization has been undertaking significant building and capital work while continuing to operate and expand programming—though most of the expenses related to this work will appear in the 2026 report.

The scale of the organization has changed substantially.



Design and Build Clay Ornaments with Akycha Surette



Instructor Show 2025, Closing Reception

For approximately the first 30 years of the Button Factory's history, our largest fiscal year was under \$300,000. In 2025, we reached \$390,279 in revenue. The current 2026 projection is over \$600,000.

This growth is exciting, but it also means that financial management becomes increasingly important. A larger organization has greater responsibilities, greater expenses and greater exposure to fluctuations in revenue.

The goal is therefore not simply to make the organization bigger. It is to make it stronger.

The financial transition underway at the Button Factory is significant. We have lost a substantial source of rental revenue, but we have simultaneously demonstrated that the organization can generate substantial new earned revenue through programming.

In 2025, program revenue more than doubled while total revenue still increased by 23%, despite the disruption to rentals.

That is a strong indication that the strategic direction we have chosen is working.

Our focus going forward will be on continuing to grow earned program revenue, developing sustainable use of the new spaces, maintaining appropriate reserves and cash flow, and ensuring that growth is matched by the systems and staffing necessary to support it.

The financial story of 2025 is therefore not simply one of increased revenue or increased expenses. It is the story of an organization changing how it earns revenue and investing in a new model for its future.

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)
Financial Statements
Year Ended December 31, 2025

WATERLOO COMMUNITY ARTS CENTRE
(Operating as *Button Factory Arts Centre*)

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Year Ended December 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Waterloo Community Arts Centre Operating as Button Factory Arts Centre

We have reviewed the accompanying financial statements of Waterloo Community Arts Centre, Operating as Button Factory Arts Centre, (the organization) that comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, revenues and expenditures 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025. Our review conclusion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

(continues)

Independent Practitioner's Review Engagement Report to the Members of Waterloo Community Arts
Centre Operating as Button Factory Arts Centre (*continued*)

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Waterloo Community Arts Centre as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

A handwritten signature in black ink that reads "Clarke Sturke & Piggel LLP". The signature is written in a cursive, flowing style.

Waterloo, Ontario
September 29, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)

Statement of Financial Position

December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash (Note 3)	\$ 181,439	\$ 102,698
Accounts receivable	8,325	6,560
Prepaid expenses	6,678	-
HST receivable	13,407	5,934
	<u>\$ 209,849</u>	<u>\$ 115,192</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 33,413	\$ 30,062
Deferred revenue	70,374	37,423
Deferred grant revenue (Note 4)	72,395	17,450
	<u>176,182</u>	<u>84,935</u>
NET ASSETS	<u>33,667</u>	<u>30,257</u>
	<u>\$ 209,849</u>	<u>\$ 115,192</u>

ON BEHALF OF THE BOARD

 Management
 Director

The accompanying notes form an integral part of these financial statements

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)

Statement of Changes in Net Assets
Year Ended December 31, 2025

	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 30,257	\$ 17,357
EXCESS OF REVENUES OVER EXPENSES	<u>3,410</u>	<u>12,900</u>
NET ASSETS - END OF YEAR	<u>\$ 33,667</u>	<u>\$ 30,257</u>

The accompanying notes form an integral part of these financial statements

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)
Statement of Revenues and Expenditures
Year Ended December 31, 2025

	2025	2024
REVENUES		
Programs	\$ 270,738	\$ 130,663
Grant revenue (Note 5)	78,362	109,178
Merchandise and gift shop	21,155	16,548
Membership fees	10,361	4,796
Donations	3,626	1,593
Fundraising	2,312	5,795
Rental fees	2,185	42,454
Gallery sales and fees	1,540	2,535
Special projects	-	3,500
	<u>390,279</u>	<u>317,062</u>
EXPENSES		
General salaries and benefits	213,430	185,420
Program supplies and instructors	92,606	49,643
Administrative expenses	24,965	15,376
Merchandise	15,414	9,310
Utilities	15,297	11,376
Maintenance	6,117	3,036
Professional fees	6,174	14,546
Publicity	5,735	5,508
Insurance	2,500	2,654
Fundraising	1,722	2,838
Gallery	1,503	1,469
Telephone and internet	1,198	2,553
Rental expenses	208	433
	<u>386,869</u>	<u>304,162</u>
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u>\$ 3,410</u>	<u>\$ 12,900</u>

The accompanying notes form an integral part of these financial statements

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)

Statement of Cash Flow
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,410	\$ 12,900
Changes in non-cash working capital:		
HST receivable	(7,473)	(3,874)
Accounts receivable	(1,765)	1,059
Prepaid expenses	(6,678)	2,336
Accounts payable and accrued liabilities	3,351	(2,035)
Government remittances payable	-	(2,961)
Deferred revenue	32,951	20,110
Deferred grant revenue	54,945	4,950
	<u>75,331</u>	<u>19,585</u>
INCREASE IN CASH FLOW	78,741	32,485
Cash - beginning of year	<u>102,698</u>	<u>70,213</u>
CASH - END OF YEAR	\$ 181,439	\$ 102,698

The accompanying notes form an integral part of these financial statements

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)

Notes to Financial Statements
Year Ended December 31, 2025

1. PURPOSE OF THE ORGANIZATION

Waterloo Community Arts Centre (the "organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates a community art facility and provides programs for the general public including: performances, classes, workshops, special events and art exhibitions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Revenue recognition

Waterloo Community Arts Centre follows the deferral method of accounting for contributions.

Restricted contributions, comprised of grant revenue, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program revenue is recognized as revenue when the programs are held. Deferred program revenue consists of fees received from the general public for programs and services that will be delivered in the upcoming fiscal year.

Rental fees are recognized on a monthly basis as revenue is earned.

Merchandise and gift shop revenues are earned at the point of sale.

Gallery sales and fees are recognized when the event is held.

Membership fees are recognized as they are earned throughout the fiscal year.

Donations and fundraising receipts are recorded as revenue when received.

Government assistance is recognized when there is a reasonable assurance that the organization has complied with, and will continue to comply with, all the necessary conditions to obtain the assistance.

(continues)

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)

Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash and cash equivalents include cash and restricted cash deposited in the operating bank account.

Capital assets expensed

All purchases of capital assets are charged to the capital assets expensed line item during the year. In the period ended December 31, 2025 there were capital asset expenditures of \$4,526 (December 31, 2024 - \$789).

Cloud Computing Arrangements - Simplified Method

The organization utilizes various Software as a Service (SaaS) platforms to support its operations, including program registration and membership resources.

The organization has applied the simplified method under AcG-20, Customer's Accounting for Cloud Computing Arrangements. Under this approach, all costs related to these arrangements, including implementation and subscription fees, are expensed as incurred.

Deferred revenue

Deferred revenue includes programs income collected for a subsequent period.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. The entity uses judgments in estimates such as the estimate of accrued liabilities.

3. CASH

	<u>2025</u>	<u>2024</u>
Cash	\$ 94,555	\$ 80,988
Restricted cash for grant spending	72,395	17,450
Restricted lottery proceeds	14,489	4,260
	<u>\$ 181,439</u>	<u>\$ 102,698</u>

Restricted cash for grant spending represents amounts that must be used for specific purposes as required by external funders such as grant funding received for designated programs or projects that have not yet been spent at yearend. Restricted lottery proceeds are held in trust in a separate account as required by government regulation. Unrestricted cash refers to all other cash held by the organization.

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)

Notes to Financial Statements
Year Ended December 31, 2025

4. DEFERRED GRANT REVENUE

The change in deferred grant revenue during the year is as follows:

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 17,450	\$ 12,500
Restricted grant revenue received during the year	87,268	34,163
Restricted grant revenue recognized during the year	<u>(32,323)</u>	<u>(29,213)</u>
Closing balance	<u>\$ 72,395</u>	<u>\$ 17,450</u>

5. GRANT REVENUE

Grant revenue is comprised of the amounts from the various funding agencies as outlined below:

	<u>2025</u>	<u>2024</u>
City of Kitchener	\$ 3,353	\$ 3,287
City of Waterloo	34,862	72,678
Cultural Works Canada	14,996	3,060
Government of Canada	5,406	11,203
Region of Waterloo	19,745	14,950
Waterloo Region Community Foundation	<u>-</u>	<u>4,000</u>
	<u>\$ 78,362</u>	<u>\$ 109,178</u>

6. FACILITY USE AGREEMENT

The organization operates in a building that is owned and designated as the Waterloo Community Arts Centre by the Corporation of the City of Waterloo ("the City"). Under the facility use agreement with the City, the organization is responsible for payment of utilities, repairs, maintenance, interior renovations and certain other costs. The organization does not pay any rent to the City.

WATERLOO COMMUNITY ARTS CENTRE
(Operating as Button Factory Arts Centre)

Notes to Financial Statements
Year Ended December 31, 2025

7. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2025.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The organization is exposed to credit risk from customers. The organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization meets its liquidity requirements by monitoring the cash flow from operations, investment performance and the anticipated cash flow from investing and financing activities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

Acknowledgements

Board of Directors

Susan Cresswell, Chair
Jane Mitchell, Vice-Chair and Secretary
Suzanne Welch, Treasurer
Kathie Must, Member-at-Large
Andrew Huston, Member-at-Large

Staff

Emma Walker, Executive Director
Erin Stamoulos, Head of Operations
Diana Erb, Programming Coordinator
Abi Luke, Youth Program Coordinator
Lupita Guerrero, Communications Manager
Lee Ceron, Social Media Intern

Ex-Officio:

Lakyn Barton, Cultural Planning
Specialist, City of Waterloo
Jen Vasic, Waterloo Counsellor
Emma Walker, Executive Director

BUTTON FACTORY ARTS CENTRE

25 Regina St., S. Waterloo, ON N2J 1R8
519-886-4577
www.buttonfactoryarts.ca

Open Hours:

Monday - Friday: 10 am - 7 pm
Saturdays & Sundays: 10 am - 5 pm

Sponsors

A huge thank you to our funders!



Landmann
Family Fund

Marianne and Jim
Erb Family Fund

Barb and Greg
Billo Fund

