PAVED ART + NEW MEDIA INC.

Auditor's Report

Financial Statements

March 31, 2026

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, CPA, CA*
Tyler Olafson, CPA, CA*
Jared Udchic, CPA*
Dylan Peace, CPA*
*denotes professional corporation

INDEPENDENT AUDITOR'S REPORT

To the Directors of **PAVED Art + New Media Inc.**

Qualified Opinion

We have audited the financial statements of **PAVED Art + New Media Inc.**, which comprise the statement of financial position as at **March 31, 2026** and the statements of operations, net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of **PAVED Art + New Media Inc.** as at **March 31, 2026**, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

Capital assets purchased through operations are included as expenditures in the statement of operations. These capital assets are also included on the statement of financial position at cost with an offsetting increase to investment in capital assets. See note 2 for a description of the organization's policy for accounting for capital assets. The effects of this departure from Canadian accounting standards for not-for-profit organizations on the audited financial statements has not been determined.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of **PAVED Art + New Media Inc.** 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 of our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance 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, 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 the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

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

Suite 300-165 3rd Avenue South, Saskatoon SK S7K 1L8 T: (306) 665-8191 F: (306) 665-1415

Auditor's Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the entity'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 the entity'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 the entity 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.

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.

Jensen Stromberg

Saskatoon, Saskatchewan
September 8, 2026

Chartered Professional Accountants

PAVED ART + NEW MEDIA INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2026
with comparative figures for 2025

	2026	2025
ASSETS		
Current assets:		
Cash	$ 67,663	65,327
Short-term investments (Note 3)	293,139	326,475
Accounts receivable (Note 4)	3,800	7,714
Goods and services tax recoverable	2,416	2,467
Due from related party (Note 5)	-	1,417
Total current assets	367,018	403,400
Prepaid expenditures and deposits	15,315	18,079
Capital assets (Note 6)	489,373	457,482
	$ 871,706	878,961
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,645	11,327
Deferred revenue	-	2,755
Due to related party (Note 5)	668	-
Total current liabilities	2,313	14,082
Net assets:		
Invested in capital assets	489,373	457,482
Unrestricted	380,020	407,397
Total net assets	869,393	864,879
	$ 871,706	878,961

APPROVED ON BEHALF OF THE BOARD:

_______________ Director

_______________ Director

See accompanying notes to the financial statements.

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

PAVED ART + NEW MEDIA INC.

STATEMENT OF OPERATIONS

Year ended March 31, 2026
with comparative figures for 2025

		2026	**2025**
Revenues:			
Canada Council for the Arts (Note 7)	$	189,105	217,045
Community Initiative Fund		5,977	5,694
City of Saskatoon		24,500	28,199
Other grants		17,530	-
Payroll grants		22,321	6,481
Saskatchewan Arts Board (Note 7)		146,851	145,550
		406,284	402,969
Self-generated revenues:			
Donations and sponsorships		3,369	3,779
Equipment and facility rental		26,468	25,460
Fundraising		7,205	3,717
Interest		9,272	10,851
Membership dues		8,408	6,291
Other		2,585	-
		57,307	50,098
Total revenues		463,591	453,067
Expenditures:			
Global (Schedule 1)		5,883	14,524
Operating (Schedule 2)		134,208	125,242
Production (Schedule 3)		64,001	47,891
Program (Schedule 4)		286,876	266,533
Total expenditures		490,968	454,190
Excess (deficiency) of revenues over expenditures for the year	$	(27,377)	(1,123)

See accompanying notes to the financial statements.

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

PAVED ART + NEW MEDIA INC.

STATEMENT OF NET ASSETS

Year ended March 31, 2026
with comparative figures for 2025

	Unrestricted	Invested in capital assets	Total 2026	Total 2025
Net assets, beginning of year	$ 407,397	457,482	864,879	845,367
Excess (deficiency) of revenues over expenditures for the year	(27,377)	-	(27,377)	(1,123)
Capital asset purchases	-	31,891	31,891	20,635
Net assets, end of year	$ 380,020	489,373	869,393	864,879

See accompanying notes to the financial statements.

PAVED ART + NEW MEDIA INC.

STATEMENT OF CASH FLOWS

Year ended March 31, 2026
with comparative figures for 2025

	2026	2025
Operating activities:		
Excess (deficiency) of revenues over expenditures for the year	$ (27,377)	(1,123)
Changes in non-cash working capital:		
Accounts receivable	3,914	(1,715)
Goods and services tax recoverable	51	(181)
Prepaid expenditures and deposits	2,764	-
Accounts payable and accrued liabilities	(9,682)	8,068
Deferred revenue	(2,755)	2,755
Due to/from related parties	2,085	(1,417)
	(31,000)	6,387
Investing activities:		
Change in investments	33,336	(10,851)
Loans and notes receivable	-	(1,027)
	33,336	(11,878)
Increase (decrease) in cash during the year	2,336	(5,491)
Cash position, beginning of year	65,327	70,818
Cash position, end of year	$ 67,663	65,327

See accompanying notes to the financial statements.

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

1. PURPOSE OF ORGANIZATION

PAVED Art + New Media Inc. (the "organization") is a registered charity, incorporated under the Non-Profit Corporations Act of Saskatchewan, and as such is exempt from income taxes. The organization is a community-based organization that exists to advance knowledge and practices in the "paved" arts: photography, audio, video, electronic and digital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPO"). The following summary of significant accounting policies are set forth to facilitate the understanding of these financial statements:

(a) Measurement Uncertainty

The preparation of the financial statements in accordance with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

(b) Cash

Cash includes cash and cash equivalents. Cash is defined as cash on hand, net outstanding deposits and cheques issued and outstanding at the reporting date. Cash equivalents are term deposits valued at market value that have a maturity of less than 90 days.

(c) Investments

Investments include guaranteed investment certificates ("GICs") and term deposits. Short-term investments are those with original maturities at date of purchase beyond three months and less than twelve months. Long-term investments are those with original maturities beyond twelve months.

(d) Capital Assets

Additions to capital assets are recorded as expenditures in the year of purchase in the statement of operations. Capital assets are also recorded at cost with the same amount being reflected as part of invested in capital assets on the statement of financial position. Capital assets are not amortized.

(e) Revenue Recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions including government grants and donations are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions, including fundraising, memberships, partnership, sales and other are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is assured. Interest revenue is recognized as revenue when reasonable assurance exists regarding measurement and collectability. All other revenue is recognized when the service is provided.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

- *Measurement of financial instruments*

  The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in revenues.

  Financial assets measured at amortized cost include cash and accounts receivable. Financial assets measured at fair value include short-term investments.

  Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to related party.

- *Transaction costs*

  The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. SHORT-TERM INVESTMENTS

	2026	2025
2.10% term deposit maturing March 29, 2026	$ -	121,934
4.25% term deposit maturing September 17, 2025	-	204,541
2.30% GIC maturing September 17, 2026	109,538	-
3.30% GIC maturing September 17, 2026	183,601	-
	$ 293,139	326,475

4. ACCOUNTS RECEIVABLE

	2026	2025
Grants receivable	$ 3,800	6,981
Rent receivable	-	733
	$ 3,800	7,714

The organization does not record an allowance for doubtful accounts as in prior years all amounts outstanding were collected. Amounts determined to be uncollectible are recorded to bad debts. During the year, the organization recorded bad debts of $nil (2025 - $nil).

5. RELATED PARTY TRANSACTIONS

The following is a summary of the organization's related party transactions:

		2026	2025
20 Above Holdings Inc. *(Jointly controlled by the organization and AKA Gallery Incorporated)*			
Expenditures paid on behalf of 20 Above Holdings Inc.	$	1,140	1,417
Rent owing to 20 Above Holdings Inc.		(1,808)	-
	$	(668)	1,417

During the year, the organization paid 20 Above Holdings Inc. rent of $29,805 (2025 - $28,233).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

6. CAPITAL ASSETS

		2026	2025
Archives	$	13,165	13,165
Equipment		448,627	416,736
Furniture and fixtures		27,581	27,581
	$	489,373	457,482

7. ECONOMIC DEPENDENCE

The organization receives a significant amount of funding from Saskatchewan Arts Board and Canada Council for the Arts. The organization generated funding of $146,851 (2025 - $145,550) from Saskatchewan Arts Board, which represents 32% (2025 - 32%) of revenues. The organization generated funding of $189,105 (2025 - $217,045) from Canada Council which represents 41% (2025 - 48%) of revenues. Should these contributions to the organization substantially decrease, continued viable operations would be doubtful.

8. COMMITMENTS

The organization has committed to future rent obligations under a lease agreement. Monthly payments of $2,546 (plus GST) will remain in effect until December 31, 2030. Total rent payments will be $30,556 per annum.

9. FINANCIAL INSTRUMENTS

Risks and concentrations

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 a measure of the organization's risk exposure and concentrations at March 31, 2026.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, receipt of grant funds from Saskatchewan Arts Board and Canada Council, and accounts payable and accrued liabilities. There has been no change to risk exposure from 2025.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is not significantly exposed to credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

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 organization is exposed to interest rate risk on its short-term investments.

PAVED ART + NEW MEDIA INC.

Global

Year ended March 31, 2026
with comparative figures for 2025

(Schedule 1)

	2026	2025
Fundraising	$ 4,514	1,773
General promotion		
Advertising	710	263
Postage and printing	-	8,628
Website	659	635
	1,369	9,526
Office		
Editorial design	-	2,500
Program postage and supplies	-	57
Writers' fees	-	668
	-	3,225
	$ 5,883	14,524

See accompanying notes to the financial statements.

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

PAVED ART + NEW MEDIA INC.

Operating

Year ended March 31, 2026
with comparative figures for 2025

(Schedule 2)

	2026	2025
ED wages and benefits		
Employee benefits	$ 14,953	8,785
Salaries	58,035	56,712
	72,988	65,497
Office expenditures		
Audit and accounting	9,742	9,686
Bank charges and interest	1,242	1,211
Facility maintenance and renovations	-	201
Insurance and security	8,763	9,280
License and fees	358	390
Office supplies	819	241
Postage	48	123
Rent (Notes 5 and 8)	29,805	28,233
Telephone, fax and internet	1,678	1,822
	52,455	51,187
Other administration		
Hardware/software upgrade	612	939
Other	1,899	1,240
Professional memberships	2,629	553
Staff professional development	1,116	3,600
Staff travel	2,498	2,171
Supplies and services to members	11	55
	8,765	8,558
	$ 134,208	125,242

See accompanying notes to the financial statements.

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

PAVED ART + NEW MEDIA INC.

Production

Year ended March 31, 2026
with comparative figures for 2025

(Schedule 3)

	2026	2025
Production facility capital equipment		
Darkroom	$ 393	116
Furniture and fixtures	220	272
General equipment	-	284
In-house equipment	33,308	5,214
Mobile equipment	3,336	17,574
	37,257	23,460
Production facility operations		
Equipment maintenance and repairs	694	960
General supplies and consumables	188	129
Software	2,990	2,999
Supplies and consumables	4,648	4,927
	8,520	9,015
Programming	1,028	1,179
Workshop and education		
Promotional communication	2,096	1,963
Workshop instructor fees	13,725	12,045
Workshop materials and supplies	650	136
Workshop meals and transportation	725	93
	17,196	14,237
	$ 64,001	47,891

See accompanying notes to the financial statements.

PAVED ART + NEW MEDIA INC.

Program

Year ended March 31, 2026
with comparative figures for 2025

(Schedule 4)

	2026	2025
Advertising and promotion		
Courier	$ 15	-
Hospitality	2,568	2,592
Mailing and distributions	54	-
Posters	212	335
	2,849	2,927
Exhibition installations		
Exhibition technician fees	2,572	1,068
Installation supplies	2,347	827
Research and production materials	162	1,215
Shipping	2,101	1,751
	7,182	4,861
Fees and honoraria		
Accommodation and per diem	8,581	8,327
Artist fees - artist in residence	2,500	3,000
Artist fees - exhibitions	13,358	11,850
Artist fees - lecture and presentation	900	3,450
Artist, curator and instructor travel	4,708	3,597
Curator fees	1,400	-
Screening fees	3,210	2,750
	34,657	32,974
All staff (except ED) wages and benefits		
Employee benefits	29,530	27,059
Salaries	212,658	198,712
	242,188	225,771
	$ 286,876	266,533

See accompanying notes to the financial statements.

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS