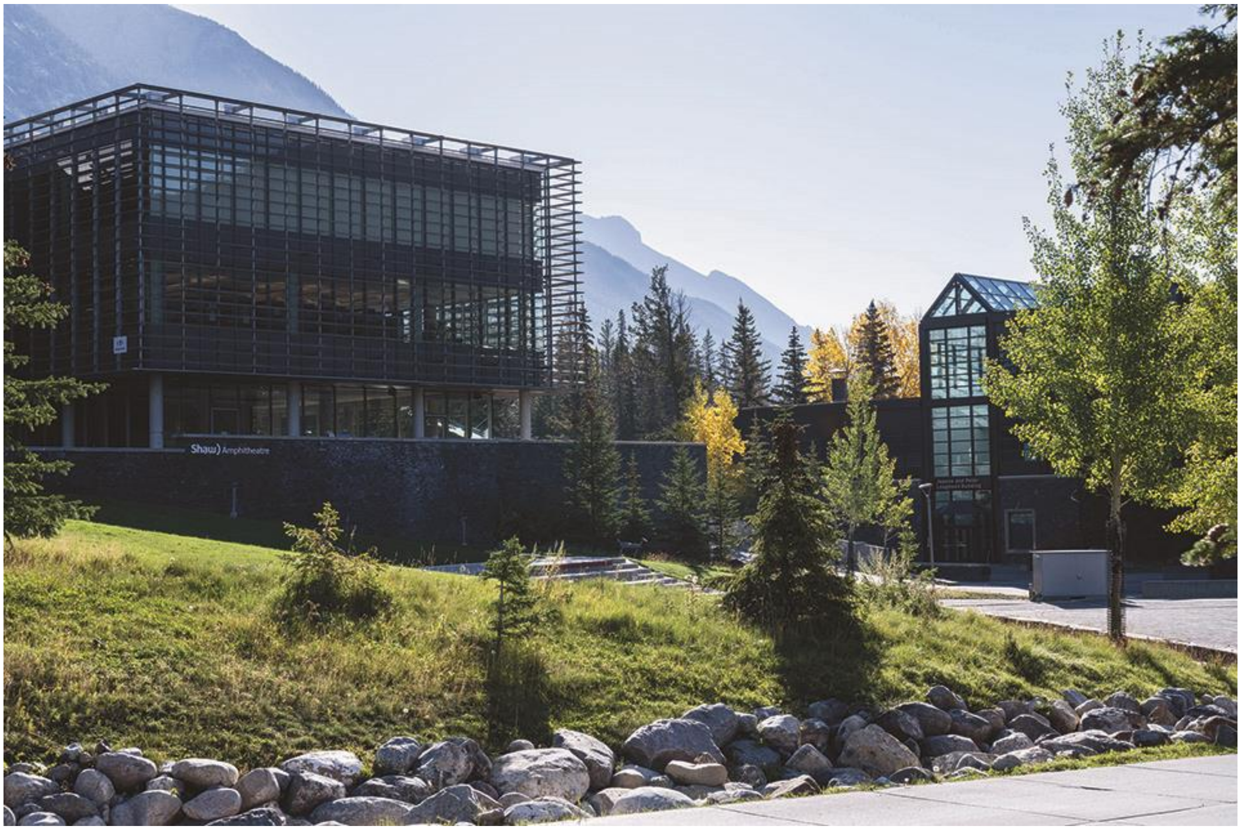
Board of Governors of The Banff Centre

ANNUAL REPORT

March 2023 – April 2024

BANFF
CENTRE FOR ARTS AND CREATIVITY



Banff Centre Campus. Photo by Rita Taylor.

Land Acknowledgement

We recognize, with deep respect and gratitude, our home on the side of Sacred Buffalo Guardian Mountain. In the spirit of respect and truth, we honour and acknowledge the Banff area, known as “Minihrpa” (translated in Stoney Nakoda as “the waterfalls”) and the Treaty 7 territory and oral practices of the Îyârhe Nakoda (Stoney Nakoda) – comprised of the Bearspaw, Chiniki, and Goodstoney Nations – as well as the Tsuut’ina First Nation and the Blackfoot Confederacy comprised of the Siksika, Piikani, and Kainai. We acknowledge that this territory is home to the Shuswap Nations, Ktunaxa Nations, and Metis Nation of Alberta, Rockyview District 4. We acknowledge all Nations who live, work, and play here, help us steward this land, and honour and celebrate this place.

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Accountability Acknowledgement

October 25, 2024

Banff Centre's Annual Report for the year ending March 31, 2024, was prepared under the direction of Banff Centre's Board of Governors in accordance with the *Sustainable Fiscal Planning and Reporting Act* and ministerial guidelines established pursuant to the *Post-Secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Paul Baay	**Chris Lorway**
Chair, Board of Governors	President and CEO

Management's Responsibility for Reporting

Banff Centre management is responsible for the preparation, accuracy, objectivity, and integrity of the information contained in the Annual Report. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the Audit and Risk Committee of the Board of Governors, as well as approved by the Board of Governors and is prepared in accordance with the *Sustainable Fiscal Planning and Reporting Act* and the *Post-Secondary Learning Act.*

Paul Baay	**Chris Lorway**
Chair, Board of Governors	President and CEO

Public Interest Disclosure (Whistleblower Protection) Act

Banff Centre is not a "Provincial corporation" as defined in the *Financial Administration Act* and is therefore not required to comply with the *Public Interest Disclosure (Whistleblower Protection) Act.* As a result, Banff Centre has established an Ethical Conduct and Safe Disclosure Policy and related procedure intended to facilitate the disclosure and investigation of matters that may be unlawful, dangerous or injurious to the public interest; protect those making disclosures from retaliation; manage, investigate and make recommendations regarding disclosures and retaliation; and promote public confidence in Banff Centre's administration of its organization.

Section 3.4 of the Ethical Conduct and Safe Disclosure Procedure requires Banff Centre's Chief Financial Officer to report the number, status and general circumstances of any disclosures made in good faith to the Audit and Risk Committee of the Board of Governors.

For the 2023-2024 fiscal year, Banff Centre has not received, and the Chief Financial Officer has not reported, any disclosures under the Ethical Conduct and Safe Disclosure Policy.

Goals and Performance Measures

Goal 1

Student supports and services and their responsiveness to the evolving needs of students (e.g. academic, financial, mental, and physical well being).

Banff Centre has continued to provide participants with a multitude of resources to support participant well-being both in person and virtually. Resources created during the COVID-19 pandemic to help address concerns related to mental health and well-being, such as self-reflection resources and events that create community, continue to be provided to participants attending Banff Centre. Free counselling services are available to participants while they are enrolled, and the campus counsellor is also available to assist staff who are supporting participants that may be struggling by offering coaching and providing referral resources.

Banff Centre offered a virtual mindfulness series delivered by a local practitioner, that is available live or on demand to both staff and learners, and that includes topics such as self-care, reducing burn out and boosting optimism. Mental Health training has been offered to staff to raise awareness, reduce stigma, and provide tools to enable them to better support themselves, their teams, and participants. Specific training includes Mental Health First Aid, The Working Mind and Working Mind Manager program (designed by the Mental Health Commission of Canada), and Building a Safer Suicide Workplace.

Banff Centre holds memberships with Pride at Work and Indigenous Works, which offer various webinars and training on the themes of 2SLGBTQI+ and Indigenous inclusion in the workplace. Banff Centre also subscribes to LinkedIn Learning, where employees and participants can search an extensive library of courses and webinars including access to curated playlists on topics ranging from building resiliency or identifying unconscious bias to improving one's skills using Microsoft Office.

The IDEA (inclusion, diversity, equity and access) Advisory Council ("IDEAAC") met regularly during this period. IDEAAC established terms of reference and identified priority action areas including providing guidance and assistance in promoting the value of inclusion, diversity, equity, and access to all areas of Banff Centre and for all members of the Banff Centre community.

Goal 2

Strategic research priorities (for research institutions), applied research, and scholarly activities.

Indigenous Leadership

Indigenous Leadership held a faculty gathering in April 2023. This was a chance for faculty form across Canada to meet in person, understand each of their program areas, discuss overlap in programs, explore current needs and changing legislation, identify new priorities and case work, and share best practices on curriculum development.

Five new potential program areas were identified: re-launch Women in Leadership; Youth; Health; Child and Family Services; and Tourism. New case study development started for the Negotiation Skills Training program.

A series of online and on-campus strategic planning and design sessions were hosted in August through October 2023 to support the development of the new Indigenous Women in Leadership program, with the pilot delivered in March 2024 (now called Calling Our Spirits Home). These sessions included 10 Indigenous women/elders/thought leaders from across Canada.

Banff Centre participated in a national conference on Indigenous Child and Family Well-Being in Ottawa. This conference specifically addressed Bill C-92 and the changing legislation around Indigenous jurisdiction over child and family services. Subsequent planning work took place for a national thought leader gathering to be held at Banff Centre in May 2024, to begin the research and design work in order to introduce a new program to support this legislation and help prepare Indigenous communities to take on this responsibility.

Cultural Leadership

Banff Centre hosted a Cultural Leadership forum in March 2024. This brought together 30 leaders from the arts and cultural sectors and provided an opportunity for open engagement and discussion around the current leadership needs and gaps in the sector. This group, made up of executive and artistic directors, leadership program executives, professors, consultants, and service organization leaders helped provide insights and recommendations as we build a new model for Cultural Leadership Programs at Banff Centre.

The forum immediately preceded the annual Canadian Arts Summit- a gathering of senior art leaders, including artistic directors, executive directors, and volunteer board chairs of Canada's largest arts institutions. The summit plays a vital role in bringing together leading voices from Canada and internationally to help shape the future of arts in Canada. As co-hosts and planners of the summit, Banff Centre presented the leadership forum findings to the attendees and briefed them on the renewal of this suite of programming.

The leadership forum concluded an eight-month environmental scan of the sector, for which Banff Centre engaged Kelly Wilhelm, a consultant and strategist with more than 25 years' experience leading policy and innovation in government, the arts, creative industries, and the not-for-profit sector. She is currently Head of the Cultural Policy Hub at OCAD University.

Goal 3

Collaboration with other learning providers (e.g. publicly funded post-secondary institutions, First Nations Colleges, or Private Career Colleges).

Banff Centre submitted a Canada Council Strategic Innovation Fund grant (250K) with the aim of piloting a series of projects that will help connect, re-define, and strengthen the creation process across Arts and Culture institutions and Artificial Intelligence (AI) research institutions in Canada. While rapid growth of generative AI is transforming the arts, artists and creators often lack the ability to shape, critique, and utilize this technology due to systemic, structural, and knowledge-based constraints.

Banff Centre's co-applicants in this endeavor are the Creative School at Toronto Metropolitan University, and the Co-creation Studio at MIT Open Doc Lab (Cambridge, MA).

Should this application be successful, other confirmed project partners will include some of the leading AI research groups in Canada: the Canadian Institute for Advanced Research (CIFAR), Vector Institute, Abundant Intelligences / Indigenous Protocol and Artificial Intelligence working group, and Amii (Alberta Machine Intelligence Institute) at the University of Alberta.

Financial Information

Banff Centre establishes operating and capital budgets each year. Both budgets are presented to Banff Centre's Board of Governors for approval and monitored by management monthly, with appropriate action taken to respond to budget variances.

The Management Discussion and Analysis (MD&A) included in this section of the Annual Report should be read in conjunction with Banff Centre's annual audited consolidated financial statements and accompanying footnotes, which are reviewed and approved by the Board and are included in this Annual Report. Banff Centre's consolidated financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS) and are expressed in Canadian dollars.

The MD&A included in this section of the Annual Report provides an overview of the results Banff Centre achieved in the year ended March 31, 2024, with a discussion and analysis of:

- **Results Compared to Prior Year**
- **Results Compared to Budget**
- **Cash Flows**
- **Financial Position**

Results Compared to Prior Year

Total revenue increased for the year ended March 31, 2024, to $54.8 million from $47.5 million in the previous year. The following table includes the composition of Banff Centre's total revenue for the year ended March 31, 2024, with comparative information for March 31, 2023.

Consolidated Revenue ($000)		**2024**		**2023**
Government of Alberta grants	$	15,574	$	15,713
Federal and other government grants	$	2,664	$	2,778
Sales, rentals and services	$	24,265	$	16,085
Tuition and related fees	$	1,892	$	1,351
Donations and other grants	$	3,110	$	4,715
Investment earnings	$	3,656	$	3,518
Amortization of deferred expended capital contributions	$	3,606	$	3,308
Total Revenue	**$**	**54,767**	**$**	**47,468**

The most significant changes in revenues for the year ended March 31, 2024, compared to March 31, 2023, are explained below:

- Reduction of $0.1 million in Government of Alberta grants due to a decrease of $0.2 million from Capital Maintenance Renewal ("CMR") funding (offset by expense reductions), partially offset by commencement of spending of the newly reinstated Peter Lougheed Leadership Initiative (PLLI) grant of $0.1 million.
- Increase of $8.2 million in sales, rentals and services, primarily related to an increase in

Conference and Hospitality revenue of $7.8 million, with additional increases in Sally Borden sales of $0.2 million and staff housing revenue of $0.2 million.

- Increase of $0.5 million in tuition and related fees due to increased arts programming activity and application fees of $0.2 million and an increase in leadership tuition of $0.3 million due to a higher percentage of on campus programming, attracting a higher tuition rate.
- Reduction of $1.6 million in donations and other grants due to a reduction of $1.1 million in Systems Leadership donations from transfer of Suncor funds directly to program provider (offset by expense reductions), and $0.5 million in Arts Programming draw downs.
- Increase of $0.2 million in investment earnings due to an increase in interest on short-term investments of $0.4 million, partially offset by deferral of unrestricted program funding, net, of $0.2 million.
- Increase of $0.3 million in amortization of deferred expended capital contributions primarily related to funding associated with discontinuation of a capital project (offset by amortization of capital assets).

Total expenses increased for the year ended March 31, 2024, to $53.5 million from $47.5 million in fiscal 2023. The following table includes the composition of Banff Centre's total expenses for the year ended March 31, 2024, with comparative information for March 31, 2023.

Consolidated Expense ($000)	**2024**	**2023**
Salaries, wages and benefits	29,389	24,936
Purchased services	3,837	4,818
Materials, goods and supplies	3,797	3,018
Scholarships and financial assistance	2,487	1,759
Facility operations and maintenance	2,092	1,787
Utilities	2,245	2,091
Travel, training and related costs	932	993
Rentals and equipment	1,677	1,470
Marketing and recruitment	500	451
Financial costs	971	770
Amortization of capital assets	5,561	5,373
Total Expense	**$ 53,488**	**$ 47,466**

Increases across most expense categories are due to increased programming, conference, and hospitality activity; while the increase in amortization of capital assets is primarily due to discontinuation of a capital project (offset by amortization of deferred expended capital contributions). The reduction in purchased services was due to Systems Leadership expense reductions from transfer of Suncor funds directly to program provider (offset by donations and other grants).

Results Compared to Budget

A budgeted operating deficit of $0.2 million for the year ended March 31, 2024, was approved by the Board of Governors. Revenues were $1.1 million less than the budget and expenses were $2.2 million less than budget, resulting in an actual operating surplus of $1.3 million.

The most significant variances from budgeted revenues are explained below:

- Government of Alberta grants were $0.8 million below budget due to a reduction of $0.9 million from utilization of CMR funding (offset by expense reductions), partially offset by $0.1 million from commencement of spending of the newly reinstated PLLI grant.
- Sales, rentals and services were $0.1 million below budget due to a reduction of $0.4 million from lower conference and hospitality activity, partially offset by increases in Sally Borden sales of $0.1 million and staff housing revenue of $0.2 million.
- Reduction of $1.6 million in donations and other grants due to a reduction of $1.1 million in Systems Leadership donations from transfer of Suncor funds directly to program provider (offset by expense reductions), and $0.5 million in Arts Programming draw downs.
- Reduction of $0.2 million in investment earnings due to deferral of unrestricted program funding, net, of $0.6 million, partially offset by an increase in interest on short-term investments of $0.4 million.

The most significant variances from budgeted expenses are explained below:

- Salaries, wages and benefits were $0.9 million below budget primarily due to $0.7 million of production labor savings and other payroll savings of $0.2 million, net, across the institution.
- Scholarships and financial assistance were $0.3 million above budget, due to increased Arts Programming activity.
- Facility operations and maintenance and rentals and equipment were $1.5 million below budget due to a $0.9 million reduction in CMR spending and $0.6 million of other net savings.
- Financial costs were $0.3 million above budget due to asset retirement cost escalation of $0.2 million and conference and hospitality financial costs of $0.1 million.

Cash Flows

Cash and cash equivalents increased by $8.5 million for the year ended March 31, 2024, due to cash used in operation, and investing transactions exceeding cash provided by financing and capital transactions. Additional commentary is provided below:

- Cash provided by operating transactions was $4.0 million and primarily due to net surplus for the year and other working capital changes.
- Cash applied to capital transactions of $2.7 million is primarily attributable to CMR projects and Investing in Canada’s Infrastructure Program (ICIP) property under development additions.
- Cash provided by investing transactions was $7.6 million and primarily due to sale of long-term investments and realized endowment earnings, net of distributions.
- Financing transactions utilized cash flows of $0.4 million, primarily related to repayment of the demand operating facility, partially offset by long-term deferred capital contributions received.

Financial Position

Refer to Note 3 in Banff Centre’s consolidated financial statements for the impact of adopting the new accounting standard PS 3400 (Revenue) on net assets and the accumulated operating surplus.

Banff Centre's net asset balance at March 31, 2024 totaled $60.4 million, an increase of $2.0 million for the fiscal year. The net asset balance is reported in two major categories, accumulated operating surplus and net assets restricted for endowment purposes.

The accumulated operating surplus increased for the year ended March 31, 2024, to $13.2 million, compared to $11.9 million in fiscal 2022-23. When Banff Centre's estimated share of the Universities Academic Pension Plan unfunded liability of $1.6 million (2023 – $2.3 million) is excluded, the unrestricted balance of accumulated operating surplus is $14.8 million (2023- $14.1 million). The unrestricted accumulated operating surplus at March 31, 2024 includes investments in capital assets of $17.9 million (2023 - $16.4 million).

Net assets restricted for endowment purposes increased by $0.8 million to $47.3 million at March 31, 2024 from $46.5 million at March 31, 2023. The increase in endowment net assets is attributable to new contributions and matching funds from Canadian Heritage.

Areas of Significant Risk

- **Budgetary risks:** While prudent financial management, and increased Hospitality activity, resulted in positive results in the current year, budgetary pressures remain a significant risk. The Campus Alberta grant decreased by 4% to $15 million in 2023 and is expected to remain at this level going forward. We also expect continued funding under other provincial and federal funding arrangements including recently reinstated leadership programming funding. Any significant changes to current and future provincial and federal funding arrangements would have a corresponding impact on Banff Centre's ability to support arts and leadership programming.

- **Economic conditions:** Poor economic conditions could impede our ability to generate earned and donated revenue. Inflation was significant in 2023-24 and is expected to continue to put pressure on operations in a period where grant funding is expected to remain largely static. Locally, the high cost of living and lack of available housing continue to make it difficult to attract and retain staff and may drive further cost increases.

- **Deferred maintenance:** Banff Centre has identified deferred building maintenance as a priority and is addressing this through expenditures funded by a combination of CMR grants, ICIP grants, lease financing, and cash generated from operations. Even with recent increases in CMR grants, and receipt of new the ICIP grant, available infrastructure funding does not come close to meeting deferred maintenance requirements, so project prioritization is carefully scrutinized during the annual capital planning process.

- **Technology:** Banff Centre requires significant and ongoing investments in new and emerging technologies. Significant additional resources are required to fully support IT initiatives over the coming years. Lease financing has been utilized to fund some of these expenditures in the past, but this approach will become more difficult as software continues to shift from a license-based model to a subscription-based model; this shift could also result in increased operating costs.

- **Investments and endowments:** Banff Centre continues to grow endowments through new endowment gifts, and related funds received from the federal government under the Endowment Incentives Program. Despite this, endowment assets have experienced considerable decreases in value as global markets have contracted in recent years. Global market conditions and related volatility will continue to impact investment returns going forward.

- **Unfunded pension liability:** Banff Centre participates with other employers in the Universities Academic Pension Plan (UAPP). The UAPP is a multi-employer defined benefit pension plan that provides pensions for Banff Centre's management and professional staff members. Banff Centre's share of the pension liability extrapolated to March 31, 2024 is estimated to be $1.6 million, down from $2.3 million in 2023.

Self-generated Revenue

The information required under this section is attached to this report.

Capital Report

Priority Projects

The following facilities projects require significant rehabilitation and upgrades and have been identified as part of a broader campus master plan. To meet institutional goals, all of the projects would ideally be completed within ten years, pending appropriate levels of provincial, federal, and private sector investment. These facilities are integral to Banff Centre's programming and enrolment plans. The ongoing deficiencies and safety issues associated with these facilities are detailed in Alberta Infrastructure's Building and Land Information Management System (BLIMS).

Priority 1: Enterprise Resource Planning (ERP) and other IT upgrades

Estimated Total Project Cost: $10 million

Description: Banff Centre's core enterprise resource planning (ERP) systems including accounting, finance, payroll and budgeting are end of life; this project includes a full replacement of these integral systems at Banff Centre. This project will build on the campus fiber-optic cable replacement to provide Banff Centre with a new ERP. Once the core ERP system has been upgraded, Banff Centre will look to add Customer Relationship Management (CRM) for our hospitality business.

Banff Centre is currently in the process of replacing it's Enterprise Resource Planning (ERP) system. Currently, Banff Centre is using a 10 year old version of on premise Microsoft NAV dynamics which has resulted in several interfaces to the system, manual reconciliations, manual financial statements creation and the inability to alter code or perform updates in the system. At the time of writing, we have narrowed down our project manager Request for Proposal (RFP) to two potential candidates and have received RFP proposals for the software solution. The intention of the new system is to transition to a cloud-based ERP solution with out of the box functionality for reporting, payroll, tax, etc. This will remove the need for excel based processes and increase the efficiency of the organization going forward. Once the ERP project is completed, the next step will be to implement a CRM which will be necessary for the accurate tracking and forecasting of hospitality room nights, which is currently being done in excel.

There is a significant risk that the current system fails with no ability to create patches. This could result in missed payroll payments and the inability to produce financial reports. Management will not be able to make fiscally responsible decisions without accurate and timely data. Continuing with the current excel based tracking of hospitality nights creates a significant risk of inaccurate budgets/forecasts and the inability to service our customer base in a timely manner.

Funding Source: Own sourced and debt funded

Funding Received to Date and Source: $0

Revised Funding Sources: Province of Alberta, Budget Submission Ask

Priority 2: Campus Fiber-Optic Cable Replacement

Project estimate: $3.05 million

Description: This project will improve critical information technology infrastructure, support connection to the new ERP, and provide guests with broadcast level connections by adding new fiber-optic cable to connect campus locations. This includes the cost of the cable, installation, termination and switches. To be completed over a two year period. Wifi upgrades will be included within this upgrade. Advancements in technology, including the amount of data transmitted through internet connections has increased dramatically in recent years. The current infrastructure on campus does not allow for program participants or conference guests to transmit enough data and, if not upgraded, would result in participants and conference guests choosing another venue.

Funding Source: Province of Alberta, Government of Canada, own sourced funding.

Funding Received to Date and Source: $0

Priority 3: On Site Affordable Staff Housing

Project estimate: $46.9 million

Description: The affordable housing crisis impacting Banff and the Bow Valley is well-known throughout the country. Zero percent vacancy and exceedingly high rental rates make it a challenge for Banff Centre (currently the fourth largest employer in Banff), to recruit and retain staff. This project will not only address Banff Centre needs, but will also have multiple community benefits by easing pressure on the Town of Banff and the Bow Valley's region-wide affordable housing problem. Banff Centre continues to invest in the provision of affordable and subsidized housing solutions for its staff and this project is critical in assisting Banff Centre in achieving the goal of making housing for staff available and affordable.

The implications of delaying the project include significantly reduced ability to recruit and retain staff. This will impact our ability to grow our programming and enrolment as well as limiting the financial sustainability of the organization. Staff housing that is modern, comfortable, and functional is critical to Banff Centre’s ongoing and future success. The project will add approximately 85 units, which will comprise a mix of one, two, and three-bedroom units.

Funding Source: Own sourced and debt funded

Funding Received to Date and Source: $0

Other Capital Projects

Renovating & Modernizing our Existing Learning Facilities

Project estimate: $19.7 million

Description: Banff Centre has developed a capital plan for our learning and performance facilities that is now focused on renovating, adapting and improving our existing physical structures and footprint with a series of projects. We have bundled the many improvement and renovation projects that we have identified under the title Rejuvenating and Modernizing our Existing Learning Facilities. Our objective is to spend our capital dollars in a way that makes use of the spaces we have by improving the space itself, redesigning spaces to be more efficient or effective as learning space, installing upgraded technology such as LED lighting, audio equipment and modernizing our current film and media equipment. Many of the spaces throughout our campus are quite old and showing their age. However, these spaces have tremendous potential through renovation and modernization to continue to provide learning and training opportunities for our program and practicum participants. Rather than engage in expensive large scale new build projects, our plan is to focus on redeveloping the assets that we have in place.

These renovations will take place in a phased approach over the next few years to minimize disruption to the flow of our programming by utilizing when possible slower time periods to make these improvements. The renewed and remodeled spaces combined with the purchase and installation of new equipment and technology will enable Banff Centre to better meet the programming and artistic needs of participants and the community with infrastructure capable of supporting all creative discipline. Special attention will be given to making these spaces come alive again and rejuvenated through renovations. Among the areas that we will be undertaking to renovate and improve aesthetically, functionally and with considerable technology upgrades are the Club venue which is being relocated to a more suitable and accessible location in the Performing Arts complex, the theatre venues being refitted with LED lighting equipment and capability, enhancing our audio recording equipment with upgraded technology, expansion of the Margaret Greenham lobby and importantly to make accessibility improved for this theatre, and the renovation and reconstruction (over a # of years) of our 28 practice huts which are quite old and nearing the end of their life. It will be more fiscally efficient to rebuild the huts rather than renovate them and the rebuild will also allow us to examine how to improve their functionality and effectiveness.

Funding Source: Province of Alberta, Government of Canada, own sourced funding.

Funding Received to Date and Source: $0

Glyde Hall Restoration

Project estimate: $23.8 million

Description: Opened in 1976, The Banff Centre's Glyde Hall is the primary programming and learning space for visual arts at Banff Centre. Glyde Hall houses the Walter Phillips Gallery, Banff Centre's primary public exhibition space. As well, the storage of the Banff Centre's permanent art collection is located in this space. The building is the main facility for visual arts programming at Banff Centre. Within the building are numerous spaces with artist studios, teaching space and shops/facilities that support the artists – print/paper making, ceramics, sculpture to name a few. The art production shops that support the artists and programs require fundamental upgrades, additions and renovations to bring them up to contemporary standards and to meet artist demands. Due to a critical lack of space and limitations of the facility, Glyde Hall is unable to meet its potential for offering visual arts programs and expanding the volume of residencies and participants. The studios and program support spaces require re-configuration and renovation to better support the teaching and the modern day requirements of the visual artists and increase access to the visual arts programs.

The exterior of the building has undergone over the past three years substantial renovations and improvements to the exterior shell. The roof has been replaced, both new windows and replacement of old have been installed, and this past year new metal long lasting durable siding has been added to complete the building envelope. Given that the foundation of the building is in excellent shape for it's age, the end result and due to these improvements will be that this building now has the ability to last for another 25-30+ years.

Significant work is required in the building interior and mechanical and environmental systems and in the equipment required for the Centre's programs. Many of the visual art facilitation shops (ceramics, print/paper making, photography, sculpture) require a high level of sophistication and have high end safety elements that need upgrading/implementation. Glyde Hall has outgrown its present accommodation and, due to a critical lack of space and limitations of the facility, is unable to meet its potential for offering visual arts programs. It is also unable to ensure the safety of its art collection, or provide barrier free access to its facilities.

Funding Source: Province of Alberta, Government of Canada, own sourced funding.

Funding Received to Date and Source: $0

Free Speech Reporting

Banff Centre's free speech policy, called the Freedom of Expression Policy, is located on Banff Centre's website at www.banffcentre.ca/policies-procedures and has not been amended in the 2023-2024 fiscal year.

Banff Centre provides limited venue or event booking outside of Banff Centre's core programming and conference business. Conferences are accepted or refused based on various business factors such as the size of the conference, the dates, and whether requested food and beverage and additional supports (such as audio visual) can be provided. Events that are outside of Banff Centre's core programing are typically organized directly between Banff Centre and the event host. Banff Centre does not provide venues to the general public through an open reservation or event booking platform.

During the 2023-2024 fiscal year, no events were cancelled for reasons related to free speech.

During the 2023-2024 fiscal year, Banff Centre received no complaints related to free speech issues.

Board of Governors Training on For-profit Ventures

Banff Centre's Board of Governors is comprised of individuals with a deep understanding of for-profit ventures and financing gained through formal education, prior board experience and/or professional experience.

Banff Centre did not consider undertaking any Commercial Enterprises[1] during the 2023-24 fiscal year and did not offer the Board of Governors any training related to for-profit ventures.

As the Board of Governors appoints new Governors, it will ensure that for-profit venture knowledge is considered and will ensure that Governors participate in any training offered or recommend by the Ministry of Advanced Education.

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[1] An activity or enterprise that is outside Banff Centre's primary education mandate and exists for the purpose of revenue generation and does not directly serve nor provide benefit to Banff Centre's participants, faculty or staff.

Attachments

Audited Financial Statements – Fiscal Year 2023-2024

Self-Generated Revenue – Fiscal Year 2023-2024

BANFF CENTRE FOR ARTS AND CREATIVITY

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT THEREON

For the year ended March 31, 2024

BANFF CENTRE FOR ARTS AND CREATIVITY

Statement of Management Responsibility

For the year ended March 31, 2024

The consolidated financial statements of Board of Governors of The Banff Centre (operating as Banff Centre for Arts and Creativity) ("Banff Centre") have been prepared by management in accordance with Canadian public sector accounting standards, including the 4200 series of standards. The consolidated financial statements present fairly, in all material respects, the financial position of Banff Centre as at March 31, 2024 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with these standards.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that Banff Centre assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

Banff Centre's Board of Governors is responsible for reviewing and approving the consolidated financial statements, and overseeing management's performance of its financial reporting responsibilities. The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit and Risk Committee. With the exception of the President and CEO, all members of the Audit and Risk Committee are not employees of Banff Centre. The Audit and Risk Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit and Risk Committee, with and without the presence of management.

On October 26, 2023, the Government of Alberta appointed an administrator in place of the Board of Governors. The administrator was the sole member of the Board of Governors and was authorized to exercise the powers and perform the duties of the Board of Governors, including those previously delegated to the Audit and Risk Committee. On April 14, 2024, the Government of Alberta rescinded the appointment of the administrator and appointed a chair and five public members to the Board of Governors. Along with the President and CEO, the chair and five public members constitute the current membership of the Board of Governors of Banff Centre. As at the date of these consolidated financial statements, committee membership has not been determined and all matters previously reported to the Audit and Risk Committee are being reported to the Board of Governors as a whole.

These consolidated financial statements have been reported on by KPMG LLP. The Independent Auditor's Report outlines the scope of the audit and provides the audit opinion on the fairness of presentation of the information in the consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of The Banff Centre

Opinion

We have audited the consolidated financial statements of the Banff Centre for Arts and Creativity (operating name for Board of Governors of The Banff Centre) (the "Entity"), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2024, and its consolidated results of operations, its consolidated remeasurement gains and losses, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards, including the 4200 series of standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity 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.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Entity's MD&A and Annual Report document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Entity's MD&A and Annual Report document as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 public sector accounting standards, including the 4200 series of standards, 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 using the going concern basis of accounting unless management either intends to liquidate the Entity or to 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.

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 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 the financial statements.

KPMG

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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

May 24, 2024

BANFF CENTRE FOR ARTS AND CREATIVITY

Consolidated Statement of Financial Position

As at March 31, 2024, with comparative information for 2023

(in thousands of dollars)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 20,633	$ 11,977
Accounts and grants receivable (note 6)	3,409	2,043
Inventories and prepaid expenses	1,217	957
	25,259	14,977
Long-term investments (note 4)	62,574	65,979
Capital assets (note 7)	136,696	139,897
	$ 224,529	$ 220,853
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 5,020	$ 3,777
Unearned revenue and deposits (note 9)	4,272	2,556
Current portion of deferred contributions (note 10)	15,480	8,524
Current portion of loans and borrowings (note 12)	536	3,484
	25,308	18,341
Loans and borrowings (note 12)	11,233	11,755
Employee future benefit liabilities (note 13)	1,804	2,721
Deferred contributions (note 10)	17,785	20,019
Deferred expended capital contributions (note 11)	103,374	105,420
Asset retirement obligations (note 8)	4,323	4,179
	163,827	162,435
Net Assets		
Accumulated operating surplus (note 15)	13,422	11,877
Endowments (note 16)	47,280	46,541
	60,702	58,418
	$ 224,529	$ 220,853

Contractual obligations and contingencies (note 14)

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of Board of Governors of The Banff Centre:

DocuSigned by:

Paul Baay

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Chair, Board of Governors

DocuSigned by:

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President and CEO, Banff Centre

BANFF CENTRE FOR ARTS AND CREATIVITY

Consolidated Statement of Operations and Changes in Net Assets
As at March 31, 2024, with comparative information for 2023
(in thousands of dollars)

	Budget 2024	Actual 2024	Actual 2023
	(Note 20)		
Revenue			
Government of Alberta grants (note 17)	$ 16,444	$ 15,574	$ 15,713
Federal and other government grants (note 17)	2,676	2,664	2,778
Sales, rentals and services	24,213	24,265	16,085
Tuition and related fees	1,683	1,892	1,351
Donations and other grants	3,711	3,110	4,715
Investment earnings (note 18)	3,896	3,738	3,518
Amortization of deferred expended capital contributions (note 11)	3,232	3,606	3,308
	55,855	54,849	47,468
Expense (note 21)			
Arts and leadership programming	15,875	15,392	14,487
Institutional support	14,499	12,908	12,239
Facilities operations and related costs	11,804	10,979	10,231
Ancillary operations	13,484	14,025	10,509
	55,662	53,304	47,466
Excess of revenue over expense	$ 193	1,545	2
Net assets, beginning of year		58,418	57,754
Endowment contributions and other transfers (note 16)		739	662
Net assets, end of year		$ 60,702	$ 58,418

The accompanying notes are an integral part of these consolidated financial statements.

BANFF CENTRE FOR ARTS AND CREATIVITY

Consolidated Statement of Cash Flows

For the year ended March 31, 2024, with comparative information for 2023

(in thousands of dollars)

	2024	2023
Operating Transactions		
Excess (deficiency) of revenue over expense	$ 1,545	$ 2
Non-cash items:		
Amortization of capital assets (note 7)	5,583	5,373
Amortization of deferred expended capital contributions (note 11)	(3,606)	(3,308)
Change in share of UAPP pension obligation	(614)	(461)
Asset retirement obligation change in estimate	(144)	-
Change in:		
Accounts and grants receivable	(1,366)	(1,289)
Inventories and prepaid expenses	(260)	838
Accounts payable and accrued liabilities	1,736	64
Unearned revenue and deposits	1,716	437
Employee future benefit liabilities	(303)	33
Deferred contributions	(799)	(2,410)
Cash provided (used) by operating transactions	3,488	(721)
Capital Transactions		
Acquisition of capital assets (note 7)	(2,731)	(489)
Cash applied to capital transactions	(2,731)	(489)
Investing Transactions		
Proceeds on sale (purchases) of long-term investments, net	6,631	(5,113)
Realized endowment investment earnings, net of distributions	403	284
Other realized restricted investment earnings	762	466
Cash provided (used) by investing transactions	7,796	(4,363)
Financing Transactions		
Long-term deferred capital contributions received	2,834	2,682
Endowment contributions and transfers (note 16)	739	662
Change in demand operating facility	(2,460)	120
Long-term loan principal repayments	(1,010)	(1,462)
Cash provided (used) by financing transactions	103	2,002
Increase (decrease) in cash and cash equivalents	8,656	(3,571)
Cash and cash equivalents, beginning of year	11,977	15,548
Cash and cash equivalents, end of year	$ 20,633	$ 11,977
Cash and cash equivalents, end of year, is comprised of:		
Cash on hand	$ 1,341	$ 929
Demand deposits and guaranteed investment certificates	19,292	11,048
	$ 20,633	$ 11,977

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 Authority and purpose

Board of Governors of The Banff Centre (operating as Banff Centre for Arts and Creativity) ("Banff Centre") is a corporation that operates under the Post-Secondary Learning Act (Alberta). Banff Centre is a registered charity, and under section 149 of the Income Tax Act (Canada) is exempt from income tax.

Banff Centre offers a broad range of learning and professional development, with a core emphasis on multi-disciplinary arts education and creation, indigenous arts and leadership programs, mountain culture, and leadership development.

Note 2 Summary of significant accounting policies and reporting practices

(a) Consolidated financial statements

These financial statements are prepared on a consolidated basis and include the accounts of Banff Centre and The Banff Centre Foundation, which is controlled (as defined by accounting standards) by Banff Centre, and operates exclusively to support the activities of Banff Centre. The Banff Centre Foundation is a registered charity, and under section 149 of the Income Tax Act (Canada) is exempt from income tax.

(b) Canadian public sector accounting standards ("PSAS") and use of estimates

These consolidated financial statements have been prepared in accordance with Canadian PSAS, including the 4200 series of standards. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. Banff Centre's management uses judgment to determine such estimates. The fair value of investments, measurement of employee future benefit liabilities, amortization of capital assets, asset retirement obligations, amortization of deferred expended capital contributions, potential impairment of capital assets and accrued liabilities are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below.

(c) Valuation of financial assets and liabilities

Banff Centre's financial instruments are recorded at fair value on initial recognition. Subsequently, Banff Centre's financial assets and liabilities are generally measured as follows:

Cash and cash equivalents	Amortized cost
Long term investments, externally managed	Fair value
Long term investments, internally managed	Cost or amortized cost
Accounts and grants receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans and borrowings	Amortized cost
Asset retirement obligations	Amortized cost

Externally managed investments include all funds managed within The Banff Centre Foundation and other foundations managing assets on behalf of Banff Centre. Externally managed investments could include equity instruments, bonds, money market funds and other fixed/variable interest investments.

All financial assets measured at cost or amortized cost are tested annually for impairment. When a financial asset is impaired, an impairment loss is recorded. The write-down of a financial asset measured at cost or amortized cost to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are charged to investment earnings as incurred. The purchase and sale of cash and cash equivalents and investments are accounted for using trade-date accounting.

Note 2 Summary of significant accounting policies and reporting practices (continued)

(c) Valuation of financial assets and liabilities (continued)

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for Banff Centre's normal purchase, sale or usage requirements are not recognized as financial assets or liabilities. Banff Centre does not have any embedded derivatives.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly-liquid investments that are readily convertible to cash, and have a maturity of less than three months from the date of acquisition.

(e) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value, being the estimated selling price less the cost to sell. Inventories held for consumption are valued at the lower of cost and replacement value. Cost is calculated principally using the weighted-average cost method.

(f) Capital assets

Purchased capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of the assets. The cost of capital assets includes overhead directly attributable to construction and development, interest costs that are directly attributable to the acquisition or construction of the assets, as well as the estimated cost of asset retirement obligations. Capital assets, except for property under development, are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Land improvements	20 years
Buildings and improvements	50 years
Equipment, furnishings and software	4-15 years

Property under development is not amortized until the project is substantially complete and the asset is placed in service. Leases of capital assets that transfer substantially all the benefits and risks of ownership are accounted for as capital assets acquired under capital lease. Assets acquired under capital lease are recorded at the present value of the future minimum lease payments at the inception of the lease excluding any executory costs (e.g., insurance, maintenance costs, etc.) and are amortized on the same basis and under the same terms as the asset categories described above. Contributed capital assets are recorded at fair value when such value can be reasonably determined. Works of art, historical treasures and collections are expensed when acquired and not recognized as capital assets, as a reasonable estimate of future benefits associated with such property cannot be made. The cost of these collections are disclosed in note 7.

Capital assets are written down to their residual values, if any, when conditions indicate that they no longer contribute to Banff Centre's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets is less than their net book value. Such write-downs are recognized as an expense in the consolidated statement of operations and are not reversed.

(g) Asset Retirement Obligations

The cost escalation technique is used to record asset retirement obligations, which are presented at the current estimated cost to settle or otherwise extinguish the liability.

Asset retirement obligations are legal obligations associated with the retirement of a capital asset. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to;

- decommissioning or dismantling a capital asset that was acquired, constructed or developed;
- remediation of contamination of a capital asset created by its normal use;
- post-retirement activities such as monitoring; and
- constructing other capital assets to perform post-retirement activities.

Note 2 Summary of significant accounting policies and reporting practices (continued)

(g) Asset Retirement Obligations (continued)

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

(i) there is a legal obligation to incur retirement costs in relation to a capital asset;
(ii) the past transaction or event giving rise to the liability has occurred;
(iii) it is expected that future economic benefits will be given up; and
(iv) a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying capital asset. Asset retirement costs related to unrecognized capital assets and those not in productive use are expensed immediately. The asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

(h) Revenue recognition

Sales, rental and services represent revenues from non-tuition related services and/or products such as locker rental fees, one day workshops, media production, laundry revenues, conferences, amenities fees, recreation program registration fees, membership fees, food services and related commissions, vending revenue, gift certificates, rental income, copyright licensing, theatre ticket sales, fine and surcharges, non-refundable application fees, interest revenue, sponsorship revenue, other administrative charges.

These revenues, with the exception of non-refundable application fees, cancellation fees and some administrative fees, are considered revenues arising from exchange transactions. Revenue from these transactions is recognized when or as Banff Centre fulfills its performance obligation(s) and transfers control of the promised goods and services to the payor. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Revenue without performance obligations is a non-exchange transaction with a payor and is recognized when Banff Centre has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

Tuition and related fees are charged for the programs offered by Banff Centre such as program registration and application fees, cancellation fees, course delivery fees, and artist studio fees.

These fees are considered revenue arising from exchange transactions with performance obligations. Banff Centre recognizes revenue from program registration and application fees when received as the performance obligations of registering the student are met when paid. Revenue from course delivery artist studio fees are recognized over the course of each academic period/semester as Banff Centre fulfils its performance obligations by delivering the courses. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Banff Centre follows the deferral method of accounting for contributions and recognizes government grants, donations and other grants as described below.

Donations and non-government grants are received from individuals, corporations and private sector not-for-profit organizations. These funds and government grants may be unrestricted or restricted for operating, endowment or capital purposes.

Unrestricted non-capital contributions are recorded as revenue in the year received or in the year the funds are committed to Banff Centre if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for the purposes designated by external parties.

Externally restricted capital contributions are recorded as deferred contributions until the amounts are invested in capital assets, at which time the amounts are transferred to deferred expended capital contributions.

Deferred expended capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital assets is recorded. The related portions of capital amortization expense and deferred expended capital contributions amortization are matched to indicate that the amortization expense has been funded externally.

Investment earnings include dividend and interest income, realized gains and losses on the sale of investments and unrealized gains and losses on investments.

Note 2 Summary of significant accounting policies and reporting practices (continued)
(h) Revenue recognition (continued)

Any externally restricted contributions containing stipulations that the amounts be retained as net assets or not be expended are recorded as direct increases in net assets. Such stipulations would include contributions made for endowment purposes. Any investment earnings attributable to these funds that must be maintained in perpetuity are also recognized as a direct increase in endowment net assets.

Unrealized gains and losses from changes in the fair value of financial instruments with no restriction over the use of investment earnings are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the consolidated statement of operations. As at and for the years ended March 31, 2024 and 2023, Banff Centre had no transactions or balances requiring recognition in the consolidated statement of remeasurement gains and losses. Accordingly, no such statement is presented in these consolidated financial statements.

Investment earnings related to investments restricted for endowments are managed in accordance with donor restrictions for their use and recognized as deferred contributions before being recognized in the consolidated statement of operations when the funds are expended. Investment earnings associated with other restricted contributions are also recorded as deferred contributions and recognized in the consolidated statement of operations when the funds are expended.

In-kind donations of services and materials are recorded at fair value when such value can be reasonably determined. While volunteers contribute a significant amount of time each year to assist Banff Centre, the value of their services is not recognized as revenue and expenses in the consolidated financial statements because the fair value cannot be reasonably determined.

(i) Foreign currency translation

Transactions in foreign currencies are translated to Canadian dollars using estimated exchange rates at the dates of the transactions. Carrying values of monetary assets and liabilities and non-monetary items carried at fair value reflect the exchange rates at the consolidated statement of financial position date. Foreign currency differences arising from retranslation are recognized in the consolidated statement of operations.

(j) Employee future benefits

Banff Centre participates with other employers in the Public Service Pension Plan (PSPP) and the Universities Academic Pension Plan (UAPP). These pension plans are multi-employer defined benefit pension plans that provide pensions for the employers' participating employees based on years of service and earnings.

Pension expense for the UAPP is actuarially determined using the projected benefit method, prorated on service, and is allocated to each participant based on the respective percentage of pensionable earnings. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life of participants.

Banff Centre does not have sufficient plan information on the PSPP required to follow the standards for defined benefit accounting. Accordingly, pension expense recorded for the PSPP is comprised of employer contributions to the plan that are required for its employees during the year. The contributions are calculated based on actuarially predetermined amounts that are expected to fund the plan’s future benefits.

(k) Future accounting changes

Banff Centre will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

(i) Effective April 1, 2026, The Conceptual Framework for Financial Reporting in the Public Sector. The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

(ii) Effective April 1, 2026, PS 1202 Financial Statement Presentation. Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the new conceptual framework and standard, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

Note 3 Adoption of new accounting policies and guidelines

PS 3400 Revenue

Effective April 1, 2023, Banff Centre adopted the new accounting standard PS 3400, Revenue, a standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

Banff Centre adopted this standard on a prospective basis and noted no impact on the amounts presented for the years ended March 31, 2024 and 2023.

PSG-8 Purchased Intangibles

Effective April 1, 2023, Banff Centre adopted the principles in the new guideline PSG-8, Purchased intangibles. The guideline provides direction on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet this definition.

Banff Centre adopted this standard on a prospective basis and noted no impact on the amounts presented as at March 31, 2024 and 2023 as Banff Centre did not purchase any intangibles in either year.

(in thousands of dollars, except where specifically expressed in millions)

Note 4 Long-term investments

	2024	2023
Long-term investments, non-endowment	$ 15,294	$ 19,438
Long-term investments, restricted for endowments	47,280	46,541
	$ 62,574	$ 65,979

	2024	2023
Investments at cost or amortized cost:		
Demand deposits	$ 3,571	$ 10,861
Alternative investments	801	767
	$ 4,372	11,628
Investments at fair value:		
Cash and cash equivalents held for investment and in brokerage accounts	3,845	3,878
Canadian government bonds	9,852	9,562
Corporate bonds	8,413	7,774
Equity investments	36,092	33,137
	58,202	54,351
	$ 62,574	$ 65,979

Alternative investments include an insurance policy that was donated in December 2018, where The Banff Centre Foundation has been designated as the beneficiary. A third party valuation was the basis for determining its initial measurement at fair value to approximate cost.

Investments at fair value include a pooled fund holding in which The Banff Centre Foundation has an equity interest represented by units in the pooled fund and any distributions from the fund. The pooled fund investment consists of several underlying pooled fund holdings of cash and cash equivalents, Canadian government bonds, corporate bonds and Canadian, U.S. and international equities. The pooled fund holdings have been allocated accordingly to the categories in the table above.

See note 5(f) for explanation of fair value measurements; investments other than bonds and other fixed income investments are considered Level 1 items where fair value is measured based on quoted prices in active markets for identical investments. Bonds and other fixed income investments included in cash and cash equivalents are Level 2 items where fair value is measured based on market inputs other than quoted prices included in Level 1 that are observable for the investments either directly or indirectly.

Note 5 Financial risk management

Banff Centre is exposed to a variety of financial risks, including market risks (price risk, currency risk and interest rate risk), credit risk and liquidity risk, primarily in relation to its investments. To manage these risks, Banff Centre invests in a diversified portfolio of investments that is guided by established investment policies that outline risk and return objectives. The long-term objective of Banff Centre's investment policies is to maximize the return on investment assets after meeting ongoing disbursement requirements. The specific financial objectives include the provision of stable and consistent income to meet the goals of Banff Centre, capital appreciation (without undue risk) such that investments continue to grow over time in real terms, and minimization of risk through diversification.

Banff Centre does not use foreign currency contracts or any other type of derivative financial instruments for trading, speculative purposes, or for hedging.

Banff Centre is exposed to the following risks:

(a) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument, its issuer, or general market factors affecting all instruments. To manage this risk for investments, Banff Centre has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement.

Investments are disclosed in note 4. Price risk is most significant in relation to equity investments, where each 1% change in value would have an impact of $361 (2023 - $331).

(in thousands of dollars, except where specifically expressed in millions)

Note 5 **Financial risk management** (continued)

(b) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The following table provides the carrying value of long-term investments denominated in various currencies and the sensitivity to a 1% change in currency value:

	Carrying value	Impact of 1% change
Canadian denominated investments	$ 40,639	$ -
US denominated investments	12,085	121
Investments denominated in other currencies	9,850	99
	$ 62,574	$ 220

Foreign currency risk for financial instruments other than investments is insignificant.

(c) Interest rate risk

Interest rate risk is the risk to Banff Centre's earnings that arises from the fluctuation and degree of volatility in interest rates. Interest rate risk on Banff Centre's loans and borrowings, and investments in bonds is insignificant given that rates are primarily fixed over longer terms. Changes in interest rates will, however, impact the market price of bonds. Interest rate risk in relation to other interest bearing instruments, including cash and cash equivalents and GICs, exists given that many have variable interest rates and others with fixed rates have relatively short terms to maturity when they may need to be renewed. The carrying value of these instruments, both current and long term, totals $28.1 million (2023 - $36.8 million), the impact of each 1% change in interest rates would be $281 annually (2023 - $368). This sensitivity ignores the fact that some of these instruments are locked in for longer periods of time, as indicated in the table below.

The maturities of interest-bearing investments held by Banff Centre are as follows:

	< 1 year	1-5 years	> 5 years	Average market yield
	%	%	%	%
Interest bearing accounts	100.0	-	-	5.0
Money market funds	100.0	-	-	4.4
Canadian government and corporate bonds	0.6	40.0	59.4	3.1

(d) Credit risk

Banff Centre is exposed to credit risk on investments arising from the potential failure of a counterparty, debtor, or issuer to honor its contractual obligations. To manage this risk, Banff Centre has established an investment policy with required minimum credit quality standards and issuer limits.

The credit ratings on investments held by Banff Centre are as follows:

	2024	2023
A or higher	81.5%	89.4%
BBB	18.5%	10.6%

Banff Centre's accounts receivable are subject to normal credit risks due to the nature of Banff Centre's customers and grantors. The carrying values of these receivables reflect management's assessment of the credit risk associated with these customers and grantors.

(in thousands of dollars, except where specifically expressed in millions)

Note 5 Financial risk management (continued)

(e) Liquidity risk

Liquidity risk is the risk that Banff Centre will not be able to meet its financial obligations as they become due. Banff Centre actively manages its liquidity through weekly and longer-term cash outlook and debt management strategies. Banff Centre's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn bank facilities, to ensure all obligations are met as they fall due. As detailed in note 12, Banff Centre has credit facilities, including letters of credit, totaling $14.2 million (2023 - $14.2 million) available to ensure that funds are available to meet current and forecasted financial requirements. At March 31, 2024, $0.1 million (2023 - $3.2 million) was outstanding under these credit facilities.

(f) Fair value

When measuring the fair value of an asset or liability, Banff Centre uses market observable data to the extent possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that Banff Centre can access at the measurement date

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

If the inputs used to measure the fair value of an asset or a liability are categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input (where Level 3 is the lowest) that is significant to the entire measurement. Banff Centre recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

There have been no changes to the risk exposures noted above and there were no transfers between level 1 and level 2 of the fair value hierarchy during the year ended March 31, 2024.

Note 6 Accounts and grants receivable

	2024	2023
Trade accounts receivable, net of allowance for doubtful accounts	$ 1,033	$ 299
Grant, participant and other receivables	2,376	1,744
	$ 3,409	$ 2,043

Accounts receivable are unsecured and non-interest bearing; $nil is past due more than 90 days at March 31, 2024 (2023 - $0.1M).

(in thousands of dollars, except where specifically expressed in millions)

Note 7 Capital assets

2024	Land improvements	Buildings and improvements	Equipment, furnishings and software	Property under development (PUD)	Total
Cost					
Beginning of year	$ 2,802	$ 210,339	$ 45,288	$ 504	$ 258,933
Additions	-	244	671	1,467	2,382
PUD transfers	-	837	-	(837)	-
	2,802	211,420	45,959	1,134	261,315
Accumulated amortization					
Beginning of year	2,755	77,499	38,782	-	119,036
Amortization expense	9	3,963	1,188	423	5,583
	2,764	81,462	39,970	423	124,619
Net book value - March 31, 2024	$ 38	$ 129,958	$ 5,989	$ 711	$ 136,696

Included in amortization expense is write off of PUD in the amount of $403 related to discontinuation of a capital project.

2023	Land improvements	Buildings and improvements	Equipment, furnishings and software	Property under development (PUD)	Total
Cost					
Beginning of year	$ 2,802	$ 210,274	$ 45,047	$ 193	$ 258,316
Additions	-	65	241	381	687
PUD write off	-	-	-	(70)	(70)
	2,802	210,339	45,288	504	258,933
Accumulated amortization					
Beginning of year	2,743	73,533	37,387	-	113,663
Amortization expense	12	3,966	1,395	-	5,373
	2,755	77,499	38,782	-	119,036
Net book value - March 31, 2023	$ 47	$ 132,840	$ 6,506	$ 504	$ 139,897

Cash flow information	2024	2023
Total capital asset additions	$ 2,382	$ 687
Non-cash addition from asset retirement obligation change in estimate	(144)	-
Change in accounts payable balances related to capital asset additions	493	(198)
Cash used for capital asset additions	$ 2,731	$ 489

Banff Centre enters into sale-leaseback transactions where the leasebacks constitute capital assets. The capital assets leased back are recognized at their carrying values and the lease liabilities are recognized at the present value of the minimum lease payments.

(in thousands of dollars, except where specifically expressed in millions)

Note 7 Capital assets (continued)

Other information

Land is leased from the Government of Canada at a nominal annual rate of one dollar. The current lease expires on July 31, 2043 and is renewable.

Equipment, furnishings and software includes vehicles, furniture, fixtures, computer hardware, software, other equipment and implementation costs related to software.

Included in the cost of capital assets at March 31, 2024 is approximately $6.9 million (2023 - $6.9 million) related to assets under capital leases. The amortization expense related to assets under capital leases for the year ended March 31, 2024 was $0.6 million (2023 - $1.6 million). The accumulated amortization at March 31, 2024 includes $4.4 million (2023 - $3.8 million) related to assets under capital leases.

Banff Centre holds permanent collections of both library materials and artwork. Due to the subjective nature of the value of these assets, they are not included in capital assets. There were $nil additions to permanent collections in 2024 (2023 - $nil). As of March 31, 2024, the cumulative historical cost of these assets that has not been capitalized is $1.6 million (2023 - $1.6 million).

Note 8 Asset Retirement Obligations

	2024	2023
Balance, beginning of year	$ 4,179	$ 4,179
Change in estimate	144	-
Balance, end of year	$ 4,323	$ 4,179

Capital assets with associated retirement obligations include buildings; Banff Centre has asset retirement obligations to remove hazardous asbestos fibre containing materials from 13 buildings, (2023 - 13 buildings) under its control. Regulations require Banff Centre to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for Banff Centre to remove asbestos when asset retirement activities occur.

Asset retirement obligations are initially measured as of the later of acquisition or the date of legislation, based on management's best estimate of the amount required to retire capital assets and subsequently re-measured taking into account any new information and the appropriateness of assumptions used. In making its estimate, Management has considered actual abatement costs incurred in recent renovations, adjusted for inflation and other market conditions, and guidance from third-party environmental specialists. Asset retirement obligations represent a $4.3 million obligation at March 31, 2024 (2023 - $4.2 million). There have been no liabilities incurred or liabilities settled in the year; however, there has been a revision in estimate due to cost escalation for the year ended March 31, 2024, as shown in the above table.

Banff Centre is using the cost escalation method as the unknowns of the remediation timeline do not provide for an accurate discount rate and therefore the best estimate is present value. Asset retirement obligations are expected to be settled over the next 10 to 30 years.

Note 9 Unearned revenue and deposits

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement

	2024	2023
Deposits for accommodations	$ 1,985	$ 2,335
Other sales and services	2,287	221
	$ 4,272	$ 2,556

(in thousands of dollars, except where specifically expressed in millions)

Note 10 Deferred contributions

Deferred contributions are comprised of unexpended externally restricted grants, donations, and endowment investment earnings available for spending. Substantially all of the operating deferred contributions and earnings are restricted to support arts and leadership programming in addition to financial assistance for program participants. Other deferred contributions are restricted for capital and maintenance projects.

	2024			2023
	Operating	Capital/ Maintenance	Total	Total
Balance, beginning of year	$ 20,238	8,305	28,543	$ 31,626
Grants and contributions received or receivable	3,038	2,334	5,372	5,147
Restricted investment earnings (note 18)	6,091	506	6,597	(125)
Recognized as operating revenue:				
Grants and contributions	(2,182)	(353)	(2,535)	(4,142)
Restricted investment earnings (note 18)	(3,152)	-	(3,152)	(3,361)
Transfers to fund capital acquisitions (note 11)	-	(1,560)	(1,560)	(602)
Balance, end of year	24,033	9,232	33,265	28,543
Current portion of deferred contributions	6,969	8,511	15,480	8,524
Long-term deferred contributions	$ 17,064	$ 721	$ 17,785	$ 20,019

Note 11 Deferred expended capital contributions

Deferred expended capital contributions represent the unamortized contributions and grants received to fund capital acquisitions. The amortization of deferred expended capital contributions is recorded as revenue in the consolidated statement of operations. Changes in the deferred expended capital contributions balances are as follows:

	2024	2023
Balance, beginning of year	$ 105,420	$ 108,126
Transferred from deferred contributions to acquire capital assets (note 10)	1,560	602
Amortization revenue	(3,606)	(3,308)
Balance, end of year	$ 103,374	$ 105,420

Included in amortization revenue is funding associated with write off of PUD in the amount of $403 related to discontinuation of a capital project.

(in thousands of dollars, except where specifically expressed in millions)

Note 12 Loans and borrowings

	Maturity	Interest Rate (%)	2024	2023
Debenture payable to the Department of Treasury Board and Finance	December 2045	2.27	$ 11,653	$ 12,054
Capital lease facility				
Capital leases	March 2024 - January 2025	1.99 - 3.25	116	725
Demand operating facility	On demand	RBC prime	-	2,460
			11,769	15,239
Current portion of loans and borrowings			536	3,484
Long-term portion of loans and borrowings			$ 11,233	$ 11,755

In June 2017, Banff Centre borrowed $14.0 million from the Department of Treasury Board and Finance (previously Alberta Capital Finance Authority) for a term of 10 years to fund renovations to Lloyd Hall, one of Banff Centre's residence facilities. On December 15, 2020 the debenture was refinanced in the amount of $12.4 million for a term of 25 years at a rate of 2.27% per annum, with no principal payments required in the first two years. The carrying amount was recorded net of transaction costs of $346 which are being amortized over the life of the debenture using the effective interest method; current year amortization was $14 (2023 - $14). The debenture is secured by a first priority General Security Agreement (GSA) covering Banff Centre property with the exception of property leased or acquired under the Royal Bank of Canada (RBC) lease facility described below.

Banff Centre has borrowing facilities available from RBC consisting of a revolving demand facility for general operating requirements, and a revolving lease facility for the acquisition of capital assets. Borrowings under the revolving demand facility are available by way of loans and letters of guarantee. The aggregate of the borrowings under the revolving demand facility and lease facility shall not exceed $12.0 million, and the lease facility on its own is capped at $10.0 million. The revolving demand facility bears interest at RBC prime, and any issued and outstanding letters of guarantee are subject to fees. The interest rate and repayment terms on leases are fixed by way of separate agreements at the time each lease is executed. Progress payment advances on leases are due on demand and bear interest at RBC prime. The RBC borrowing facility is secured by property leased or acquired under the facility and a second priority claim on other Banff Centre property. Capital leases and amounts drawn under the RBC facilities are included in the table above. The demand operating facility is used as bridge financing to be replaced by expected borrowings under the lease facility that are not finalized prior to the fiscal year end, and for general operating requirements.

Banff Centre also has borrowing facilities available with Canadian Imperial Bank of Commerce ("CIBC") consisting of a $2.0 million revolving demand facility for general operating requirements and a $0.2 million letter of credit facility available through commercial letters of credit. Borrowings under the revolving demand facility are unsecured, bear interest at CIBC prime, and any issued and outstanding commercial letters of credit are subject to fees. As at March 31, 2024, commercial letters of credit of $30 (2023 - $30) were issued and outstanding under the CIBC facilities.

Banff Centre has available a credit card facility with a limit of $625 CA and $75 US (2023 - $625 CA, $75 US). As at March 31, 2024, Banff Centre had utilized $81 (2023 - $104), which is included in accounts payable and accrued liabilities.

Interest expense on loans and borrowings for the year ended March 31, 2024 was $331 (2023 - $516). Interest expense approximates interest paid for both fiscal years and is included in the institutional support category of functional expense. The lending facilities above require Banff Centre to meet certain non-financial covenants. Banff Centre has complied with these covenants as at and for the year ended March 31, 2024.

(in thousands of dollars, except where specifically expressed in millions)

Note 12 Loans and borrowings (continued)

Principal and interest payments are due as follows:

	Principal	Interest	Total
2025	$ 536	$ 269	$ 805
2026	421	259	680
2027	430	249	679
2028	441	239	680
2029	451	228	679
Thereafter	9,490	2,049	11,539
	$ 11,769	$ 3,293	$ 15,062

Note 13 Employee future benefit liabilities

	2024	2023
Share of UAPP pension obligation	$ 1,645	$ 2,259
Accrued administrative leave and other	159	462
	$ 1,804	$ 2,721

Banff Centre participates with other employers in the Public Service Pension Plan (PSPP) and the Universities Academic Pension Plan (UAPP). These pension plans are multi-employer defined benefit plans that provide pensions for Banff Centre's participating employees based on years of service and earnings.

(a) PSPP

As Banff Centre does not have sufficient information on the PSPP to follow the accounting standards for defined benefit plans, the plan is accounted for on a defined contribution basis. Accordingly, pension expense of $657 (2023 - $687) recorded for the PSPP is comprised of employer contributions to the plan that are required for Banff Centre's employees during the year. Contributions are calculated based on actuarially predetermined amounts that are expected to provide the plan’s future benefits. Pension expense is recorded as a direct cost, together with the related salaries and wages, and is reported in all expense categories in the consolidated statement of operations.

An actuarial valuation of the PSPP was carried out as at December 31, 2023. At December 31, 2023, the PSPP reported an actuarial surplus of $4,542 million (December 31, 2022 - $4,259 million) for the plan as a whole.

(b) UAPP

The UAPP is a multi-employer defined benefit pension plan for academic staff members and other eligible employees. An actuarial valuation of the UAPP was carried out at December 31, 2022 and further extrapolated to March 31, 2024. Banff Centre's share of the benefit liability, which has been allocated based on employer contributions to the plan, is estimated to be $1.6 million at March 31, 2024 (2023 - $2.3 million). Banff Centre recorded its share of pension expense of $0.6 million (2023 - $0.6 million).

The significant actuarial assumptions used to measure the UAPP accrued benefit obligation for the plan as a whole and Banff Centre's share of the benefit obligation and benefit costs are as follows:

	2024	2023
Accrued benefit obligation at March 31	$ 24,264	$ 23,715
Discount rate	6.20%	6.30%
Benefit costs for years ended March 31	$ 779	$ 806
Discount rate	6.20%	6.30%
Average compensation increase	3.00%	3.00%
Estimated average remaining service life	11.5 yrs	11.5 yrs

(in thousands of dollars, except where specifically expressed in millions)

Note 13 Employee future benefit liabilities (continued)

The UAPP unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2023 - 1.25%) of salaries by the Government of Alberta. Employees and employers share equally the balance of the contributions of 3.57% (2023 - 3.04%) of salaries required to eliminate the unfunded deficiency by December 31, 2043.

The unfunded deficiency at March 31, 2024 for the UAPP plan as a whole, before unamortized actuarial net losses, is $10.9 million (2023 - $249.9 million), of which the Government of Alberta share is $195.5 million (2023 - $197.9 million), the employer pool share is ($92.3) million (2023 - $26.0 million) and the employee pool share is ($92.3) million (2023 - $26.0 million). Banff Centre's share of the unfunded deficiency for the employer pool at March 31, 2024 is ($0.7) million (2023 - $0.2 million).

(c) Administrative leave and other

Banff Centre provided the past President and CEO a paid leave of absence at the end of their administrative appointment, accrued during the period of employment. Upon completion of the term of service, the salary and benefits rate in effect at that date were paid for the duration of the leave.

Banff Centre's benefit expense for administrative leave totaled $nil (2023 - $27). The accrued benefit liability at March 31, 2024 is $150 (2023 - $450), with $300 (2023 - $nil) benefits paid; no benefits were forfeited during the current and prior year. No assets are set aside to fund the liability as Banff Centre plans to use its working capital to finance this future obligation. Included in accrued administrative leave and other is $9 (2023 - $12) which relates to a Deferred Salary Leave Plan.

Note 14 Contractual obligations and contingencies

In November 2020, Banff Centre entered into a long-term supply arrangement with an electrical utility supplier for its electrical power needs for the period January 1, 2021 to December 31, 2025, at a rate of $57.35 per megawatt hour subject to minimum and maximum requirements. In March 2022, Banff Centre entered into a long-term supply arrangement with a natural gas supplier for the period November 1, 2023 to October 31, 2026, at a rate of $3.69 per gigajoule for approximately 70% of projected gas consumption.

Banff Centre is party to a software as a service agreement with Campus Management Corporation, OCLC (WorldShare), Pantheon, Blackbaud/Omatic, and Arctic Wolf under which Banff Centre is committed to the use of the software through January 2025, May 2024, December 2024, March 2025, and July 2024 respectively. Banff Centre is party to an infrastructure licensing agreement with Cisco under which Banff Centre is committed to the use of the infrastructure through January 2025.

As disclosed in note 12, Banff Centre also has contractual obligations related to capital leases and other borrowing facilities, which include principal and interest payments due through the year ending March 31, 2026.

Contractual obligations are summarized as follows:

	Software as a service and Infrastructure	Capital leases - principal	Total
2025	$ 407	116	523
2026	65	-	65
2027	65	-	65
2028	65	-	65
Total at March 31, 2024	$ 602	$ 116	$ 718

Periodically, legal actions are brought against Banff Centre in the normal course of operations; as at March 31, 2024 there were no outstanding legal claims. Also, refer to notes 5(e) and 12 for the details of commercial letters of credit.

(in thousands of dollars, except where specifically expressed in millions)

Note 15 Accumulated operating surplus

Changes in accumulated operating surplus are as follows:

	Unrestricted	UAPP Pension Deficit (note 13)	2024	2023
Accumulated operating surplus (deficit), beginning of year	$ 14,136	$ (2,259)	$ 11,877	$ 14,236
Impact of Asset Retirement Obligation adoption	-	-	-	(2,361)
Accumulated operating surplus (deficit), restated	14,136	(2,259)	11,877	11,875
Excess (deficiency) of revenue over expense	1,545	-	1,545	2
UAPP pension benefits adjustment	(614)	614	-	-
Accumulated operating surplus (deficit), end of year	$ 15,067	$ (1,645)	$ 13,422	$ 11,877

Included in accumulated operating surplus is $17.9 million (2023 - $16.4 million) representing the amount of surplus that has been invested in capital assets.

Note 16 Endowments

	2024	2023
Endowments, beginning of year	$ 46,541	$ 45,879
Contributions	739	662
Endowments, end of year	$ 47,280	$ 46,541

Endowments, which are to be retained in perpetuity, are held for the sole benefit of Banff Centre and consist of externally restricted donations and matching funds from Canadian Heritage under Canada Cultural Investment Fund's Endowment Incentives Component. Included in the endowment balance at March 31, 2024 are cumulative matching funds received through the Endowment Incentives Component of $16.6 million (2023 - $16.3 million). Contributions for the year ended March 31, 2024 include $289 (2023 - $262) of funds received through the matching program.

Endowments are managed in accordance with the terms of the agreements between Banff Centre and the individual donors, with investment earnings used in accordance with the various purposes established by the agreements and Banff Centre's Board of Governors. Endowments are held by The Banff Centre Foundation and Banff Canmore Community Foundation (an unrelated public charitable foundation), with balances as follows:

	2024	2023
The Banff Centre Foundation	$ 39,140	$ 38,401
Banff Canmore Community Foundation	8,140	8,140
	$ 47,280	$ 46,541

Under the Post-Secondary Learning Act (Alberta), Banff Centre has the authority to alter the terms and conditions of endowments to enable: (1) income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment, and (2) encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment if, in the opinion of the Board of Governors, the encroachment benefits Banff Centre and does not impair the long-term value of the endowment.

(in thousands of dollars, except where specifically expressed in millions)

Note 17 Government grants

	2024	2023
Base operating grant from Alberta Advanced Education	$ 15,031	$ 15,031
Other Government of Alberta grants:		
Alberta Advanced Education	500	617
Alberta Culture and Tourism	43	65
	$ 15,574	$ 15,713
Federal government grants:		
Government of Canada - Department of Canadian Heritage		
Canada Arts Training Fund	$ 2,135	$ 2,135
Canada Arts Presentation Fund	100	185
Celebrate Canada	-	12
Canada Council for the Arts	429	429
Other government grants	-	17
	$ 2,664	$ 2,778

Note 18 Investment earnings

	2024	2023
Total investment earnings	$ 7,183	$ 32
Restricted investment earnings flowing through deferred contributions (note 10)	(6,597)	125
Restricted investment earnings expended in accordance with donor requirements (note 10)	3,152	3,361
	$ 3,738	$ 3,518

Note 19 Salaries, wages and employee benefits

The salaries, wages and employee benefit expenses of Banff Centre include:

	2024	2023
Salaries, wages and non-pension benefits	$ 28,099	$ 23,647
Pension benefits	1,290	1,289
	$ 29,389	$ 24,936

Note 20 Budget

Unaudited budget amounts, which were approved by the Board of Governors May 29, 2023, have been provided for comparative purposes.

(in thousands of dollars, except where specifically expressed in millions)

Note 21 Expense by object

	2024		2023
	Budget (note 20)	Actual	Actual
Salaries, wages and benefits (note 19)	$ 30,335	$ 29,389	$ 24,936
Purchased services	3,845	3,837	4,818
Materials, goods and supplies	3,766	3,797	3,018
Scholarships and financial assistance	2,219	2,487	1,759
Facility operations and maintenance	3,921	2,029	1,787
Utilities	2,438	2,246	2,091
Travel, training and related costs	927	937	993
Rentals and equipment	1,367	1,736	1,470
Marketing and recruitment	577	500	451
Financial costs	692	763	770
Amortization of capital assets (note 7)	5,575	5,583	5,373
	$ 55,662	$ 53,304	$ 47,466

Scholarships and financial assistance include payments to resident artists and program participants for tuition, fees, accommodations and other program related costs.

Note 22 Related parties

Banff Centre is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of Banff Centre and their close family members are also considered related parties. Banff Centre may enter into transactions with these entities and individuals in the normal course of operations and under normal terms. Banff Centre has debt with the Department of Treasury Board and Finance as outlined in Note 12.

Self-generated Revenue 2023-24		
Institution Name:	Banff Centre	

Instructions: This template is intended to gather more detail on the types and amounts of PSIs self-generated revenue than is provided in existing reporting. We are only collecting revenue information at this time, and not information about associated costs or cost of goods sold. Examples of each revenue type are listed, but not meant to be an exhaustive list. Please list any subsidiary income by entity in Section F - Land Trusts and For-Profit Ventures, even if the revenue type in those entities overlaps with other Sections. For all other sections, please list revenue without the subsidiaries included. If an item fits into more than one category, please report in in only one place and note in the description. For questions, please contact Megan van der Linden, Executive Director of Financial Services, Advanced Education at megan.vanderlinden@gov.ab.ca. Thank you.

Revenue Type	Description	
A. Tuition and Mandatory Fees (examples: domestic tuition, International Student Tuition, Continuing Education, mandatory fees, etc.) Please use one line per item.		
Tuition	Tuition revenue from program participants	$ 1,662,565
Program Cancellation fees	Fees for late cancellation of program participants	$ 3,205
Application/Registration fees	Application fee charged for each participant application ($65/application, including practicum; $35/application for indigenous participants). Direct registration fee of $35/participant (successful candidates only)	$ 223,516
Artist studio fees	Participant use of studio space on campus	$ 2,721
	Subtotal	$ 1,892,008
B. Auxiliary/Ancillary Services (examples: bookstores, student residences, parking lots, laundry services, printing, sports and recreational facilities, rentals and catering services, cafeterias, etc.) Please use one line per item.		
Accommodation - Rooms / Pkg	Room revenue from stays at Banff Centre hotels (program participants, conference guests, walk-ins, staff)	$ 10,485,478
Accommodation - No Show	Fee charged for no show on rooms	$ 86,979
Accommodation - Attrition	Contracted attrition amounts from conference groups that did not hit their occupancy/usage targets	$ 219,631
Cancellation Fee - Room	Fee charged for cancellation of rooms	$ 172,947
Service Charges - Rooms	Per room fee charged for use of Banff Centre facilities (internet, gym, pool, etc).	$ 536,167
F&B Sales	Food, liquor, wine, and beer sales for program participants, conference guests, walk-ins, and staff. Includes program participant and staff discounts	$ 6,549,931
Artist supplies	Participant use of artist supplies and materials	$ 9,928
Merchandise Sales - Other	General merchandise sales (Banff Centre branded T-shirts, mugs, etc.)	$ 50,944
Gift in Kind	Gift in kind to support programming	$ 8,580

Self-generated Revenue 2023-24		
Institution Name:	Banff Centre	

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Revenue Type	Description	
Guest / Participant Services	Use of printing and copying facilities (conference guests)	$ 564
Printing,Publishing & Productn	Use of printing and copying facilities (program participants)	$ 13,808
Technical Services & Telecom	Technical services for conference guests (audio and visual setup)	$ 520,354
Performance Fees	Performance fees for Banff Mountain Film Festival (BMFF)	$ 1,793,273
Service Revenue - Other	Conference registration package fees	$ 123,716
Advertising Revenue	Revenue from advertising (primarily BMFF)	$ 13,359
Ticket Sales	Ticket sales for performances on campus	$ 663,468
Other Pgm/Event/Course Fees	Additional fees for facility usage (primarily community courses for swim, climbing, gym use)	$ 139,150
Membership Fees	Sally Borden Recreation (SBB) gym memberships	$ 761,673
Box Office Commissions	Other non-program related events	$ 48,937
Other Fees	POS purchase of day passes at SBB	$ 2,375
Facility Rentals	Facility rentals from conference guests (primarily meeting room rentals)	$ 1,682,668
Equipment Rentals	Equipment rentals from program participants (primarily instruments)	$ 58,227
Vending Revenues	Revenue from vending machines on campus	$ 8,973
Other Sales & Services	Companion charges for conference guests, CUPE reimbursment revenue, BIRS reimbursment revenue	$ 314,254
	Subtotal	$ 24,265,384

C. Donations and Investment Income (examples: total cash donations, donations in kind, interest on endowments, etc.) Please use one line per item.

Investment Income	Interest earned on GIC and NDA investments	$ 554,371

Self-generated Revenue 2023-24		
Institution Name:	**Banff Centre**	

Instructions: This template is intended to gather more detail on the types and amounts of PSIs self-generated revenue than is provided in existing reporting. We are only collecting revenue information at this time, and not information about associated costs or cost of goods sold. Examples of each revenue type are listed, but not meant to be an exhaustive list. Please list any subsidiary income by entity in Section F - Land Trusts and For-Profit Ventures, even if the revenue type in those entities overlaps with other Sections. For all other sections, please list revenue without the subsidiaries included. If an item fits into more than one category, please report in in only one place and note in the description. For questions, please contact Megan van der Linden, Executive Director of Financial Services, Advanced Education at megan.vanderlinden@gov.ab.ca. Thank you.

Revenue Type	Description	
Endowment Earnings (Utilized)	Utilized endowment earnings to support programming (primarily scholarships) - based on 5% distribution moved first to deffered contributions and recognized as revenue when program related expenses are incurred	$ 3,152,009
Other Financial Income	BMO rebates	$ 31,321
Donations	Restricted donations from Private, corporations, foundations, and non-government sources moved first into deferred contributions and recognized as revenue when program related expenses are incurred - primarily from Suncor, RBC, Slaight	$ 3,110,171
	Subtotal	$ 6,847,873
D. Research Grants (examples: research grants from not for profit, grants from other governments, grants from businesses, etc.) Please use one line for each source group and include only grants not received from the Province of Alberta.		
N/A		
	Subtotal	$ -
E. Other Grants (examples: grants from not for profit, grants from other governments, grants from businesses, etc.) Please use one line for each source group and include only grants not received from the Province of Alberta.		
Federal Government Grant	Government of Canada - Department of Canadian Heritage - Canada Arts Training Fund	$ 2,135,000
Federal Government Grant	Government of Canada - Department of Canadian Heritage - Canada Arts Presentation Fund	$ 100,000
Federal Government Grant	Canada Council for the Arts	$ 429,000
	Subtotal	$ 2,664,000
F. Land Trusts and For-Profit Ventures (any revenue-generating subsidiary entity, total revenue). Please use one line per entity and describe the ventures key area(s) of business in the description.		
N/A		
	Subtotal	$ -
G. Other - Any other self-generated revenue not captured in the previous categories.		
Amortization of Deferred expended capital contributions	Represents the unamortized contributions and grants received to fund capital acquisitions. The amortization of deferred expended capital contributions is recorded as revenue (non-cash) in the consolidated statement of operations and fully offset by depreciation	$ 3,606,451
	Subtotal	$ 3,606,451

Self-generated Revenue 2023-24

Institution Name:	Banff Centre

Instructions: This template is intended to gather more detail on the types and amounts of PSIs self-generated revenue than is provided in existing reporting. We are only collecting revenue information at this time, and not information about associated costs or cost of goods sold. Examples of each revenue type are listed, but not meant to be an exhaustive list. Please list any subsidiary income by entity in Section F - Land Trusts and For-Profit Ventures, even if the revenue type in those entities overlaps with other Sections. For all other sections, please list revenue without the subsidiaries included. If an item fits into more than one category, please report in in only one place and note in the description. For questions, please contact Megan van der Linden, Executive Director of Financial Services, Advanced Education at megan.vanderlinden@gov.ab.ca. Thank you.

Revenue Type	Description	
	Grand Total:	$ 39,275,715
	Total Revenue	$ 54,849,000
	Ratio	67%

Classification: Protected A