

Board of Governors of The Banff Centre

# ANNUAL REPORT

March 2024 – April 2025



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 “Miniharpa” (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

July 18, 2025

Banff Centre's Annual Report for the year ended March 31, 2025, 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**  
Chair, Board of Governors



**Chris Lorway**  
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, Finance 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**  
Chair, Board of Governors



**Chris Lorway**  
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, Finance and Risk Committee of the Board of Governors.

For the 2024-2025 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 to help address concerns related to mental health and well-being, such as self-reflection resources to help participants transition in and out of programs, and events and spaces that foster 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 returned to offering in-person mindfulness sessions delivered by a local practitioner, with additional sessions that are available on demand to both staff and learners, and that includes topics such as self-care, managing performance anxiety and intentional stress management. Mental Health training is 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, 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 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.

## Goal 2

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

### **Indigenous and Cultural Leadership**

A thought leader gathering on Child and Family Services (CFS), was held May 13-17, 2024. This topic was identified during Banff Centre's faculty and elder gathering (February 2023) as one of four key upcoming needs in Canadian Indigenous communities, and a potential area for strategic program growth for Banff Centre. The gathering specifically addressed Bill C-92 and the changing legislation around Indigenous jurisdiction over child and family services. Banff Centre convened social workers, lawyers, elders, federal and provincial agency workers, on reserve band councilors, and off reserve community leaders.

Subsequent planning and design work led to the piloting of two public program offerings to help prepare Indigenous communities to take on this responsibility, and the new program is now a part of our core program offerings.

In January Banff Centre ran the Cultural Leadership: Foundations pilot. The program was geared towards executive directors of small to mid-sized Arts and Culture organizations, and the program focused primarily on Alberta based leaders, in the spirit of the funding source- Advanced Education's re-instated Peter Lougheed Leadership Initiative. The program included an introduction to the concept of Wise Practices- the foundation of Banff Centre's Indigenous Leadership programming model, and also included sessions on: Theories of Leadership Styles; Systems Thinking; Identity and Culture; Talent Management- Engaging Artists and Creatives; Health and Wellness as a Leader; Volunteer Management in an Arts and Cultural Organization; Board Governance; Women in Arts & Cultural Leadership; Working with Local Government; Policy and Advocacy in Arts and Cultural Organizations; Cultural Mapping; Cultural Funding; and Evaluation as a Reflective Practice.

## Goal 3

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

Banff Centre held The Possibilities Retreat: A Convening of Human-Computer Interaction & Live Performance. This was a collaboration between Banff Centre and the University of Calgary's School of Creative & Performing Arts and Department of Computer Science. A group of forty multidisciplinary artists and researchers connected and created innovative projects around the topics of live performance and human-computer interaction, to understand the possibilities of how this type of practice could evolve in the creation and production of new theatre and performing arts works. This research was approved by the Conjoint Faculties Research Ethics Board at the University of Calgary. Funding support was provided by a Social Sciences and Humanities Research Council Connection Grant, a University of Calgary Transdisciplinary Connector Grant, and a matching grant from the University of Calgary Faculty of Science. Banff Centre's contribution was supported by the Peter Lougheed Learning Initiative. Learnings and outcomes from the Convening are being compiled and will provide knowledge and resources for the future development of Banff Centre core programs.

Banff Centre partnered with the Yukon First Nation Education Directorate to work with them on strategic planning, land-based learning, and youth leadership development- initiatives which will complement and inform our own program design and delivery. The YFNED will in turn send their executive director and two youth delegates to Banff Centre's thought-leaders gathering on Indigenous Youth Leadership.

# 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.

## a. Budget Variances

Using the budget submitted to Advanced Education by May 31<sup>st</sup>, the following are identified key variances between budgeted statement of operations and actual audited results.

<i>Category</i>	<i>Budgeted Amount (\$000's)</i>	<i>Actual Amount (\$000's)</i>	<i>Variance</i>	<i>Variance Explanation</i>
Government of Alberta Grants	\$20,166	\$19,724	\$(442)	Immaterial
Federal Government Grants	\$3,423	\$3,403	\$(20)	Immaterial
Other Governments Grants	-	-	-	Immaterial
Student Tuition and Fees	\$3,496	\$3,265	\$(231)	Immaterial
Sales of Services and Products	\$31,685	\$26,474	\$(5,211)	Over ambitious target for conference activity; however, actuals results were a significant increase compared to prior year and Banff Centre was able to reduce expenses and remain in a surplus position by end of the year
Donations and Other Grants	\$4,904	\$4,115	\$789	Immaterial
Investment Income	\$3,658	\$3,642	\$16	Immaterial
Salaries, wages and benefits (note 18)	\$35,517	\$32,776	\$2,741	Significant savings across the organization in response to the reduced activity compared to budget - particularly in hospitality (\$1,963)
Purchased services	\$5,428	\$5,114	\$314	Immaterial
Materials, goods and supplies	\$5,584	\$3,924	\$1,660	Significant savings across the organization in response to the reduced activity

				compared to budget - particularly in cost of goods sold for the hospitality business (\$1,300)
Scholarships and financial assistance	\$4,640	\$3,916	\$724	Immaterial
Facility operations and maintenance	\$4,043	\$2,515	\$1,528	Reduced expenses in the normal course facility maintenance expense as the team was focused on the capital upgrades being performed in Farrally/Vinci Hall
Utilities	\$2,437	\$2,188	\$249	Immaterial
Travel, training and related costs	\$1,271	\$1,091	\$180	Immaterial
Rentals and equipment	\$1,710	\$1,896	\$(186)	Immaterial
Marketing and recruitment	\$806	\$552	\$254	Immaterial
Financial costs	\$810	\$843	\$(33)	Immaterial
Amortization of capital assets (note 6)	\$5,082	\$5,228	\$146	Immaterial

## b. Audited Financial Statements

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

## Self-generated Revenue

### a. Tuition and Mandatory Fees

All revenue from tuition and mandatory student fees associated with instruction. Examples may include, but are not limited to, domestic tuition, international student tuition, continuing education fees, and other mandatory student fees associated with instruction.

<i>Revenue Source</i>	<i>Description</i>	<i>Annual Revenue (\$000's)</i>
Domestic Tuition	Banff Centre has two levels of tuition rates: \$105/participant day: for low production programs \$240/participant day: for high production programs	\$2,201
International Student Tuition	Tuition rates are the same as above for international students - this amount represents an allocation based on the % of PDs registering from outside of Canada	\$804
Program	Application fee charged to the student to cover registration	\$260

Application Fees	expenses: \$65 per application \$35 per application for indigenous participants	
Subtotal		\$3,265

## b. Donations and Investment Income

Revenue from donations received and investment income earned. Examples of donations may include, but are not limited to, cash donations and donations in-kind. Investment income examples may include, but are not limited to, interest earned, interest earned on endowments and realized and unrealized gains and losses.

<i>Revenue Source</i>	<i>Description</i>	<i>Annual Revenue (\$000's)</i>
Cash Donations	Restricted and unrestricted donations	\$588
Donations In-Kind	N/A	-
Interest Earned	Short term investment income earned in GIC and Savings accounts	\$395
Interest on Endowments	Endowment distribution (5%) utilized in the year	\$3,087
Realized Gains/Losses	Immaterial	-
Unrealized Gains/Losses	Restricted investment earnings retained in the endowment fund	\$3,687
Other - Sponsorships	Sponsorship revenue, primarily related to the Banff Mountain Film Festival	\$870
Other - Prior year gifts utilized	Prior year donations brought into revenue in the year to match the restricted program activity expenses	\$2,108
Other - Security gifts	Gifts of shares to support the program offerings at Banff Centre	\$34
Subtotal		\$7,757

## c. Research Grants

All research grant revenue from external sources, not including grants received from the Province of Alberta. Examples may include but are not limited to, grants from not-for-profit organizations, other provincial governments, and businesses.

<i>Grant Source</i>	<i>Description</i>	<i>Annual Revenue (\$000's)</i>
Not-for-Profit Organizations	N/A	N/A
Federal Government	N/A	N/A
Other Provincial Governments	N/A	N/A
Businesses	N/A	N/A
Other	N/A	N/A
Subtotal		\$ -

## d. Other Grants

All non-research grant revenue from external sources, not including grants received from the Province of Alberta. Examples may include but are not limited to, grants from not-for-profit organizations, other provincial governments, and businesses.

<i>Grant Source</i>	<i>Description</i>	<i>Annual Revenue (\$000's)</i>
Federal Government	Canadian Arts Training Fund grant (\$2,564), Deferred expended capital contributions brought into revenue (\$829), and Canada Council (\$10)	\$3,403
Subtotal		\$3,403

## e. Auxiliary / Ancillary Services

Revenue from all auxiliary and ancillary operations. Examples may include, but are not limited to, bookstores, student residences, parking services, laundry facilities, printing services, sports and recreational facilities, rental services, catering operations, and cafeterias.

<i>Service</i>	<i>Description</i>	<i>Annual Revenue (\$000's)</i>
Bookstores	N/A	N/A
Student Residences	Banff Centre provides affordable housing for both students and staff on campus as well as at the Rocky Mountain housing cooperative off campus. Banff Centre's capital plan includes a project to create 85 new affordable housing units. 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.	\$1,113
Parking Services	N/A	N/A
Laundry Facilities	N/A	N/A
Printing Services	Printing service revenue and merchandise sales	\$18
Sports and Recreational Facilities	Sally Borden recreation centre caters to Banff Centre participants, conference guests and locals in the Bow Valley	\$808
Rental Services	Includes facility rentals on campus primarily related to the use of space by conference guests	\$740
Catering Operations	N/A	N/A
Cafeterias	N/A	N/A
Other - Banff Centre Presents	Banff Centre presents series includes ticketed on-stage presentations such as the Banff International String Quartet Competition and renowned artists from across the globe	\$324

Other - Mountain Culture	Banff Centre is renowned for its Mountain Film Festival and World Tour activities. The Film Festival is an international film competition and annual presentation of films and documentaries about mountain culture, sports, environment and adventure & exploration. Immediately after the festival in November, a selection of the best films entered in the festival goes on tour around the world with concurrent film offerings online  The Banff Mountain Book Festival is held concurrently with the film festival. This literary festival is focused on mountain literature, and features guest speakers, readings, seminars, and an international book competition.	\$2,600
Other - Hotel and Conferences	Banff Centre runs a conference and hospitality business that offers accommodation and food & beverage services both to participants and external conference bookings. This represents a significant portion of our own sourced revenue (79%) and overall revenue (34%) in general and exists to support the mandate of Banff Centre	\$20,871
Subtotal		\$26,474

## f. Academic Enterprise

Revenue from activities that are integral to your institution's educational, research, public service, and campus support functions. These activities should align with your academic mission rather than being primarily profit-driven. Examples may include, but are not limited to, continuing education programs, culinary school restaurants, agricultural operations, and breweries.

<i>Enterprise</i>	<i>Description</i>	<i>Annual Revenue (\$000's)</i>
Continuing Education Programs	In 24/25 Banff Centre piloted the Convening and Summits arm of leadership programming which will result in significant academic enterprise opportunities going forward.	N/A
Culinary School Restaurants	N/A	N/A
Agricultural Operations	N/A	N/A
Breweries	N/A	N/A
Other	N/A	N/A
Subtotal		\$-

## g. Land Trusts and For-Profit Ventures

Information on all revenue-generating subsidiary entities, including a detailed description of each venture's primary business activities and areas of operation.

<i>Venture</i>	<i>Description of Primary Business and Areas of Operation</i>	<i>Annual Revenue (\$000's)</i>
Venture 1	N/A	N/A
Venture 2	N/A	N/A
Venture 3	N/A	N/A
Subtotal		\$-

## h. Other

Any additional self-generated revenue not captured in the previous categories. Include clear descriptions of each revenue source.

<i>Revenue Source</i>	<i>Description of Primary Business and Areas of Operation</i>	<i>Annual Revenue (\$000's)</i>
Other Source 1	N/A	N/A
Other Source 2	N/A	N/A
Other Source 3	N/A	N/A
Subtotal		\$-
Grand Total		\$40,899

## Capital Report

This section provides an overview of Banff Centre's capital plan and includes the total project costs and detailed funding source breakdowns for each of the following categories: Government of Alberta, Government of Canada, institutional funds, donations, foundations, and industry. For each funding source category, the percentage of contribution from each source to each project, and amounts received to date have been specified.

### a. Top Three Priority Projects

The following are the top three priority capital projects proceeding within the next three to five years that exceed either \$2.5 million or 50% of Banff Centre's Infrastructure Maintenance Program grant, whichever is greater. These projects may include infrastructure supporting high-demand programs, research initiatives, critical health and safety improvements, or essential information technology systems.

#### Project 1 – On Site Affordable Staff Housing

<i>Description</i>	<i>Total Project Cost</i>	<i>Start Date</i>	<i>End Date</i>
The project will add approximately 85 units, which will comprise a mix of one, two, and three-bedroom units. The project will be accomplished through the demolition of existing 4 single family dwellings and 10 townhouses and construction of new, higher density housing on the site. This project will allow us to attract and house staff to support the delivery of programs and address deferred maintenance. Currently a needs assessment is being performed to determine the correct mix of units and the final project cost to seek funding.	\$46,907,000	01-Apr-27	31-Mar-29

## Funding Sources

<i>Source</i>	<i>Amount</i>	<i>Percentage</i>	<i>Received to Date</i>
Government of Alberta	\$	0%	\$
Government of Canada	\$	0%	\$
Institutional Funds	\$46,907,000	100%	\$
Donations	\$	0%	\$
Foundations	\$	0%	\$
Industry	\$	0%	\$
<b>Total</b>	<b>\$46,907,000</b>	<b>100%</b>	<b>\$</b>

## Project 2 – ERP Upgrades

<i>Description</i>	<i>Total Project Cost</i>	<i>Start Date</i>	<i>End Date</i>
Banff Centre's core enterprise resource planning (ERP) systems including accounting, finance, payroll and budgeting are end of life.	\$6,775,000	01-Jan-25	31-May-26

## Funding Sources

<i>Source</i>	<i>Amount</i>	<i>Percentage</i>	<i>Received to Date</i>
Government of Alberta	\$	0%	\$
Government of Canada	\$	0%	\$
Institutional Funds	\$2,775,000	41%	\$2,775,000
Donations	\$	0%	\$
Foundations	\$	0%	\$
Debt financing	\$4,000,000	59%	\$
<b>Total</b>	<b>\$6,775,000</b>	<b>100%</b>	<b>\$2,775,000</b>

## Project 3 – HVAC Upgrades

<i>Description</i>	<i>Total Project Cost</i>	<i>Start Date</i>	<i>End Date</i>
Beginning with an overall engineering and needs assessment in 25/26, Banff Centre will look to reimagine use of the Professional Development Centre (PDC) and upgrade HVAC to Loyd Hall (LH). The total project cost includes consulting fees of \$250 and HVAC of \$1,500 for LH and PDC. Based on the overall building assessment, Banff Centre would look to review the assessment of PDC before beginning with an overall refresh to support growth in self-generated revenue.	\$3,200,000	01-Apr-25	31-Mar-26

## Funding Sources

<i>Source</i>	<i>Amount</i>	<i>Percentage</i>	<i>Received to Date</i>
Government of Alberta	\$	0%	\$

Government of Canada	\$	0%	\$
Institutional Funds	\$1,200,000	38%	\$1,200,000
Donations	\$	0%	\$
Foundations	\$	0%	\$
Debt Financing	\$2,000,000	63%	\$
Total	\$3,200,000	100%	\$1,200,000

## b. All Other Projects

<i>Name and Description</i>	<i>Type</i>	<i>Total Cost</i>	<i>Current Status</i>
Enterprise Systems: Building on the ERP replacement, Banff Centre's ancillary enterprise systems will begin a process of replacement or creation. Potential technology projects include: hospitality management; customer relationship management; learning management; and fitness/class systems.	New	\$4,330,000	Planning
Campus Fibre-Optic Cable Replacement: Add new fiber-optic cable to connect campus locations in order to support broadcast level connections. This includes the cost of the cable, installation, termination and switches. To be completed over a two year period. This project will improve critical information technology infrastructure.	New	\$500,000	Near Complete
Glyde Hall Restoration.	Preservation	\$23,800,000	Planning
Mechanical Replacement Program in three phases.	Preservation	\$8,400,000	Planning
Elevator Upgrade Program in Sally Borden and Lloyd Hall.	Preservation	\$2,600,000	Planning
Total		\$39,630,000	

## 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](http://www.banffcentre.ca/policies-procedures) and has not been amended in the 2024-2025 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 programming 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 2024-2025 fiscal year, no events were cancelled for reasons related to free speech.

During the 2024-2025 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<sup>1</sup> during the 2024-25 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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<sup>1</sup> 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 2024-2025

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT THEREON**  
For the year ended March 31, 2025

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**BANFF CENTRE FOR ARTS AND CREATIVITY**

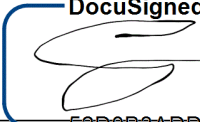
**Statement of Management Responsibility**  
For the year ended March 31, 2025

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, 2025 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, Finance and Risk Committee. With the exception of the President and CEO, all members of the Audit, Finance and Risk Committee are not employees of Banff Centre. The Audit, Finance 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, Finance and Risk Committee, with and without the presence of management.

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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President and CEO

**DocuSigned by:**  
  
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Chief Financial Officer



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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, 2025
- 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, 2025, 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.

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.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants

Calgary, Canada

June 2, 2025

BANFF CENTRE FOR ARTS AND CREATIVITY

Consolidated Statement of Financial Position

As at March 31, 2025, with comparative information for 2024  
(in thousands of dollars)


	2025	2024
<strong>Assets</strong>		
Current assets		
Cash and cash equivalents	\$ 18,489	\$ 20,633
Accounts and grants receivable (note 5)	4,164	3,409
Inventories and prepaid expenses	1,211	1,217
	23,864	25,259
Long-term investments (note 3)	60,735	62,574
Capital assets (note 6)	141,820	136,696
	<u>\$ 226,419</u>	<u>\$ 224,529</u>
<strong>Liabilities</strong>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,167	\$ 5,020
Unearned revenue and deposits (note 8)	4,826	4,272
Current portion of deferred contributions (note 9)	14,638	15,480
Current portion of loans and borrowings (note 11)	434	536
	25,065	25,308
Loans and borrowings (note 11)	10,806	11,233
Employee future benefit liabilities (note 12)	831	1,804
Deferred contributions (note 9)	14,879	17,785
Deferred expended capital contributions (note 10)	109,019	103,374
Asset retirement obligations (note 7)	3,840	4,323
	<u>164,440</u>	<u>163,827</u>
<strong>Net Assets</strong>		
Accumulated operating surplus (note 14)	14,002	13,422
Endowments (note 15)	47,977	47,280
	<u>61,979</u>	<u>60,702</u>
	<u>\$ 226,419</u>	<u>\$ 224,529</u>

Contractual obligations and contingencies (note 13)

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

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

Signed by:  
  
594E0A715B0D40A  
Chair, Board of Governors

DocuSigned by:  
  
52D082A8D0ED442  
President and CEO, Banff Centre

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Consolidated Statement of Operations and Changes in Net Assets**  
As at March 31, 2025, with comparative information for 2024  
*(in thousands of dollars)*

	Budget 2025	Actual 2025	Actual 2024
<b>Revenue</b>	(Note 19)		
Government of Alberta grants (note 16)	\$ 18,141	\$ 17,857	\$ 15,574
Federal and other government grants (note 16)	1,498	2,574	2,664
Sales, rentals and services	31,693	26,474	24,265
Tuition and related fees	3,496	3,265	1,892
Donations and other grants	5,633	3,600	3,110
Investment earnings (note 17)	3,658	3,642	3,738
Amortization of deferred expended capital contributions (note 10)	3,214	3,211	3,606
	67,333	60,623	54,849
<b>Expense (note 20)</b>			
Arts and leadership programming	21,176	19,915	15,392
Institutional support	16,702	13,868	12,908
Facilities operations and related costs	11,847	11,522	10,979
Ancillary operations	17,603	14,738	14,025
	67,328	60,043	53,304
Excess of revenue over expense	\$ 5	580	1,545
<b>Net assets, beginning of year</b>		60,702	58,418
Endowment contributions and other transfers (note 15)		697	739
<b>Net assets, end of year</b>		\$ 61,979	\$ 60,702

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, 2025, with comparative information for 2024

*(in thousands of dollars)*

	2025	2024
<b>Operating Transactions</b>		
Excess of revenue over expense	\$ 580	\$ 1,545
Non-cash items:		
Amortization of capital assets (note 6)	5,228	5,583
Amortization of deferred expended capital contributions (note 10)	(3,211)	(3,606)
Change in share of UAPP pension obligation	(814)	(614)
Asset retirement obligation change in estimate	-	(144)
Change in:		
Accounts and grants receivable	(755)	(1,366)
Inventories and prepaid expenses	6	(260)
Accounts payable and accrued liabilities	1,135	1,736
Unearned revenue and deposits	554	1,716
Employee future benefit liabilities	(159)	(303)
Deferred contributions	(1,599)	(799)
Cash provided by operating transactions	965	3,488
<b>Capital Transactions</b>		
Acquisition of capital assets (note 6)	(11,749)	(2,731)
Cash applied to capital transactions	(11,749)	(2,731)
<b>Investing Transactions</b>		
Proceeds on (purchases) sale of long-term investments, net	(2,110)	6,631
Realized endowment investment earnings, net of distributions	5,340	403
Other realized restricted investment earnings	-	762
Cash provided by investing transactions	3,230	7,796
<b>Financing Transactions</b>		
Deferred capital contributions received	5,242	2,834
Endowment contributions and transfers (note 15)	697	739
Change in demand operating facility	-	(2,460)
Loan principal repayments	(529)	(1,010)
Cash provided by financing transactions	5,410	103
<b>(Decrease) increase in cash and cash equivalents</b>	(2,144)	8,656
<b>Cash and cash equivalents, beginning of year</b>	20,633	11,977
<b>Cash and cash equivalents, end of year</b>	\$ 18,489	\$ 20,633
Cash and cash equivalents, end of year, is comprised of:		
Cash on hand	\$ 3,672	\$ 1,341
Demand deposits and guaranteed investment certificates	14,817	19,292
	\$ 18,489	\$ 20,633

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

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**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, other fixed/variable interest investments, and alternative investments such as private equity and private credit.

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.

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**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 6.

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.

## **BANFF CENTRE FOR ARTS AND CREATIVITY**

### **Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

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

#### **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 fulfills 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.

## **BANFF CENTRE FOR ARTS AND CREATIVITY**

### **Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

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

**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, 2025 and 2024, 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 new conceptual framework and following 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.

**BANFF CENTRE FOR ARTS AND CREATIVITY****Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

*(in thousands of dollars, except where specifically expressed in millions)***Note 3 Long-term investments**

	2025	2024
Long-term investments, non-endowment	\$ 12,758	\$ 15,294
Long-term investments, restricted for endowments	47,977	47,280
	<u>\$ 60,735</u>	<u>\$ 62,574</u>
Investments at cost or amortized cost:		
Demand deposits	\$ -	\$ 3,571
Alternative investments - insurance policy	836	801
	<u>\$ 836</u>	<u>4,372</u>
Investments at fair value:		
Cash and cash equivalents held for investment and in brokerage accounts	600	3,845
Canadian government bonds	11,358	9,852
Corporate bonds	2,116	8,413
Equity investments	39,387	36,092
Alternative investments - private equity and private credit	6,438	-
	<u>59,899</u>	<u>58,202</u>
	<u>\$ 60,735</u>	<u>\$ 62,574</u>

In order to shelter its long-term investments from market volatility, Banff Centre has entered into an investment relationship with Northleaf Capital Partners (Northleaf). In the year, Banff Centre transferred \$6.4 million to Northleaf for investment in their private equity (\$1.1 million) and private credit (\$5.3 million) portfolios. Banff Centre has committed approximately \$14 million to alternative investments with Northleaf, with the remainder to be fulfilled next year. Alternative investments also 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 4(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. Level 3 investments are the Northleaf private equity and private credit portfolios.

The following table reconciles the changes in fair value of level 3 investments:

	2025	2024
Balance, beginning of year	\$ -	\$ -
Unrealized gains (losses)	-	-
Purchases	6,438	-
Proceeds on sale	-	-
Other adjustments	-	-
Balance, end of year	<u>6,438</u>	<u>-</u>

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**Note 4     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 3. Price risk is most significant in relation to equity investments, where each 1% change in value would have an impact of \$394 (2024 - \$361).

**(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	\$ 29,282	\$ -
US denominated investments	21,126	211
Investments denominated in other currencies	10,327	103
	<u>\$ 60,735</u>	<u>\$ 314</u>

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 \$28.9 million (2024 - \$28.1 million), the impact of each 1% change in interest rates would be \$289 annually (2024 - \$281). 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	-	-	4.5
Money market funds	100.0	-	-	2.8
Canadian government and corporate bonds	2.9	30.5	66.6	3.8

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**Note 4 Financial risk management** (continued)

**(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:

	2025	2024
A or higher	89.2%	81.5%
BBB	10.8%	18.5%

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.

**(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 11, Banff Centre has credit facilities, including letters of credit, totaling \$14.2 million (2024 - \$14.2 million) available to ensure that funds are available to meet current and forecasted financial requirements. At March 31, 2025, \$nil (2024 - \$0.1 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 overall risk exposure noted above; however, there were transfers between level 1, level 2 and level 3 of the fair value hierarchy during the year ended March 31, 2025 related to the Northleaf investment.

**Note 5 Accounts and grants receivable**

	2025	2024
Trade accounts receivable, net of allowance for doubtful accounts	\$ 1,996	\$ 1,033
Grant, participant and other receivables	2,168	2,376
	<u>\$ 4,164</u>	<u>\$ 3,409</u>

Accounts receivable are unsecured and non-interest bearing; \$0.1M is past due more than 90 days at March 31, 2025 (2024 - \$nil).

**BANFF CENTRE FOR ARTS AND CREATIVITY****Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

*(in thousands of dollars, except where specifically expressed in millions)***Note 6 Capital assets**

	<b>2025</b>				
	Land improvements	Buildings and improvements	Equipment, furnishings and software	Property under development (PUD)	Total
<b>Cost</b>					
Beginning of year	\$ 2,802	\$ 211,420	\$ 45,959	\$ 1,134	\$ 261,315
Additions	-	69	1,426	9,266	10,761
PUD transfers	-	9,225	41	(9,266)	-
Disposals	-	(409)	-	-	(409)
	2,802	220,305	47,426	1,134	271,667
<b>Accumulated amortization</b>					
Beginning of year	2,764	81,462	39,970	423	124,619
Amortization expense	5	4,053	1,170	-	5,228
	2,769	85,515	41,140	423	129,847
<b>Net book value - March 31, 2025</b>	<b>\$ 33</b>	<b>\$ 134,790</b>	<b>\$ 6,286</b>	<b>\$ 711</b>	<b>\$ 141,820</b>

	<b>2024</b>				
	Land improvements	Buildings and improvements	Equipment, furnishings and software	Property under development (PUD)	Total
<b>Cost</b>					
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
<b>Accumulated amortization</b>					
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
<b>Net book value - March 31, 2024</b>	<b>\$ 38</b>	<b>\$ 129,958</b>	<b>\$ 5,989</b>	<b>\$ 711</b>	<b>\$ 136,696</b>

<b>Cash flow information</b>	2025	2024
Total capital asset additions	\$ 10,761	\$ 2,382
Non-cash addition from asset retirement obligation change in estimate	-	(144)
Change in accounts payable balances related to capital asset additions	988	493
Cash used for capital asset additions	\$ 11,749	\$ 2,731

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.

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**Note 6     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, 2025 is approximately \$6.9 million (2024 - \$6.9 million) related to assets under capital leases. The amortization expense related to assets under capital leases for the year ended March 31, 2025 was \$0.5 million (2024 - \$0.6 million). The accumulated amortization at March 31, 2025 includes \$4.9 million (2024 - \$4.4 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 \$0.1 million additions to permanent collections in 2025 (2024 - \$nil). As of March 31, 2025, the cumulative historical cost of these assets that has not been capitalized is \$1.7 million (2024 - \$1.6 million).

**Note 7     Asset Retirement Obligations**

	2025	2024
<b>Balance, beginning of year</b>	\$ 4,323	\$ 4,179
Liability settled	(483)	-
Change in estimate	-	144
<b>Balance, end of year</b>	<u>\$ 3,840</u>	<u>\$ 4,323</u>

Capital assets with associated retirement obligations include buildings; Banff Centre has asset retirement obligations to remove hazardous asbestos fibre containing materials from 11 buildings (2024 - 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 \$3.8 million obligation at March 31, 2025 (2024 - \$4.3 million). Banff Centre has settled the liability related to two buildings on campus during major renovations in Farrally and Vinci Hall during the year ended March 31, 2025. The cost to abate the asbestos was lower than the existing liability; as such, no revision in estimate from cost escalation for the year ended March 31, 2025 was recorded.

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 8     Unearned revenue and deposits**

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

	2025	2024
Deposits for accommodations	\$ 1,973	\$ 1,985
Other sales and services	2,853	2,287
	<u>\$ 4,826</u>	<u>\$ 4,272</u>

**BANFF CENTRE FOR ARTS AND CREATIVITY****Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

*(in thousands of dollars, except where specifically expressed in millions)***Note 9 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.

	2025			2024	
	Operating	Capital/ Maintenance	Total	Total	
Balance, beginning of year	\$ 24,033	9,232	33,265	\$	28,543
Grants and contributions received or receivable	3,678	5,242	8,920		5,372
Restricted investment earnings (note 17)	3,687	422	4,109		6,597
Recognized as operating revenue:					
Grants and contributions	(4,159)	(675)	(4,834)		(2,535)
Restricted investment earnings (note 17)	(3,087)	-	(3,087)		(3,152)
Transfers to fund capital acquisitions (note 10)	-	(8,856)	(8,856)		(1,560)
Balance, end of year	24,152	5,365	29,517		33,265
Current portion of deferred contributions	9,811	4,827	14,638		15,480
Long-term deferred contributions	\$ 14,341	\$ 538	\$ 14,879	\$	17,785

**Note 10 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:

	2025	2024
Balance, beginning of year	\$ 103,374	\$ 105,420
Transferred from deferred contributions to acquire capital assets (note 9)	8,856	1,560
Amortization revenue	(3,211)	(3,606)
Balance, end of year	\$ 109,019	\$ 103,374

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**Note 11    Loans and borrowings**

	Maturity	Interest Rate (%)	2025	2024
Debenture payable to the Department of Treasury Board and Finance	December 2045	2.27 %	\$ 11,240	\$ 11,653
Capital lease facility				
Capital leases			-	116
			11,240	11,769
Current portion of loans and borrowings			434	536
Long-term portion of loans and borrowings			\$ 10,806	\$ 11,233

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 (2024 - \$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 which were both \$nil as at March 31, 2025 (2024-\$0.1M). 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, 2025, commercial letters of credit of \$30 (2024 - \$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 (2024 - \$625 CA, \$75 US). As at March 31, 2025, Banff Centre had utilized \$151 (2024 - \$81), which is included in accounts payable and accrued liabilities.

Interest expense on loans and borrowings for the year ended March 31, 2025 was \$345 (2024 - \$331). 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 March 31, 2025.

**BANFF CENTRE FOR ARTS AND CREATIVITY****Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

*(in thousands of dollars, except where specifically expressed in millions)***Note 11 Loans and borrowings (continued)**

Principal and interest payments are due as follows:

	Principal	Interest	Total
2026	\$ 421	\$ 259	\$ 680
2027	430	249	679
2028	441	239	680
2029	451	228	679
2030	461	218	679
Thereafter	9,036	1,831	10,867
	<u>\$ 11,240</u>	<u>\$ 3,024</u>	<u>\$ 14,264</u>

**Note 12 Employee future benefit liabilities**

	2025	2024
Share of UAPP pension obligation	\$ 831	\$ 1,645
Accrued administrative leave and other	-	159
	<u>\$ 831</u>	<u>\$ 1,804</u>

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 \$744 (2024 - \$657) 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, 2024. At December 31, 2024, the PSPP reported an actuarial surplus of \$6,474 million (December 31, 2023 - \$4,542 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, 2023 and further extrapolated to March 31, 2025. Banff Centre's share of the benefit liability, which has been allocated based on employer contributions to the plan, is estimated to be \$0.8 million at March 31, 2025 (2024 - \$1.6 million). Banff Centre recorded its share of pension expense of \$0.7 million (2024 - \$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:

	2025	2024
Accrued benefit obligation at March 31	\$ 29,443	\$ 24,264
Discount rate	6.10%	6.20%
Benefit costs for years ended March 31	\$ 935	\$ 779
Discount rate	6.10%	6.20%
Average compensation increase	3.00%	3.00%
Estimated average remaining service life	11.5 yrs	11.5 yrs

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**Note 12 Employee future benefit liabilities (continued)**

The UAPP unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2024 - 1.25%) of salaries by the Government of Alberta. Employees and employers share equally the balance of the contributions of 3.57% (2024 - 3.57%) of salaries required to eliminate the unfunded deficiency by December 31, 2043.

The estimated surplus at March 31, 2025 for the UAPP plan as a whole, before unamortized actuarial net losses, is \$426.8 million (2024 - \$10.9 million unfunded deficiency), of which the Government of Alberta share is \$202.8 million (2024 - \$195.5 million), the employer pool share is \$314.8 million (2024 - \$92.3 million) and the employee pool share is \$314.8 million (2024 - \$92.3 million). Banff Centre's share of the unfunded deficiency for the employer pool at March 31, 2025 is \$0.9 million (2024 - \$0.7 million).

**(c) Administrative leave and other**

Included in accrued liabilities is \$nil (2024 - \$9) which relates to a Deferred Salary Leave Plan.

**Note 13 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 Blackbaud/Omatic, Arctic Wolf, Adaco, Prophix, Slack, OCLC (Worldshare), Pantheon under which Banff Centre is committed to the use of the software through March 2027, October 2025, December 2025, September 2027, December 2025, November 2025, and April 2026 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 2026. Banff Centre is party to a software as a service contract with Oracle Fusion beginning in fiscal 2025/26 and is committed to its use until 2029-30.

As disclosed in note 11, Banff Centre also has contractual obligations related to 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
2026	\$ 760
2027	524
2028	501
2029	399
Thereafter	399
Total at March 31, 2025	\$ 2,583

Periodically, legal actions are brought against Banff Centre in the normal course of operations; as at March 31, 2025 there were no outstanding legal claims. Also, refer to notes 4(e) and 11 for the details of commercial letters of credit.

**BANFF CENTRE FOR ARTS AND CREATIVITY****Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

*(in thousands of dollars, except where specifically expressed in millions)***Note 14 Accumulated operating surplus**

Changes in accumulated operating surplus are as follows:

	Unrestricted	UAPP Pension Deficit (note 12)	2025	2024
Accumulated operating surplus (deficit), beginning of year	\$ 15,067	\$ (1,645)	\$ 13,422	\$ 11,877
Excess (deficiency) of revenue over expense	580	-	580	1,545
UAPP pension benefits adjustment	(814)	814	-	-
Accumulated operating surplus (deficit), end of year	<u>\$ 14,833</u>	<u>\$ (831)</u>	<u>\$ 14,002</u>	<u>\$ 13,422</u>

Included in accumulated operating surplus is \$18.2 million (2024 - \$17.9 million) representing the amount of surplus that has been invested in capital assets.

**Note 15 Endowments**

	2025	2024
Endowments, beginning of year	\$ 47,280	\$ 46,541
Contributions	697	739
Endowments, end of year	<u>\$ 47,977</u>	<u>\$ 47,280</u>

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, 2025 are cumulative matching funds received through the Endowment Incentives Component of \$16.8 million (2024 - \$16.6 million). Contributions for the year ended March 31, 2025 include \$213 (2024 - \$289) 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:

	2025	2024
The Banff Centre Foundation	\$ 39,837	\$ 39,140
Banff Canmore Foundation	8,140	8,140
	<u>\$ 47,977</u>	<u>\$ 47,280</u>

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.

**BANFF CENTRE FOR ARTS AND CREATIVITY****Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024

*(in thousands of dollars, except where specifically expressed in millions)***Note 16 Government grants**

	2025	2024
Base operating grant from Alberta Advanced Education	\$ 15,031	\$ 15,031
Other Government of Alberta grants:		
Alberta Advanced Education	2,749	500
Alberta Culture and Tourism	77	43
	<u>\$ 17,857</u>	<u>\$ 15,574</u>
Federal government grants:		
Government of Canada - Department of Canadian Heritage		
Canada Arts Training Fund	\$ 2,135	\$ 2,135
Canada Arts Presentation Fund	-	100
Canada Council for the Arts	429	429
Other government grants	10	-
	<u>\$ 2,574</u>	<u>\$ 2,664</u>

**Note 17 Investment earnings**

	2025	2024
Total investment earnings	\$ 4,664	\$ 7,183
Restricted investment earnings flowing through deferred contributions (note 9)	(4,109)	(6,597)
Restricted investment earnings expended in accordance with donor requirements (note 9)	<u>3,087</u>	<u>3,152</u>
	<u>\$ 3,642</u>	<u>\$ 3,738</u>

**Note 18 Salaries, wages and employee benefits**

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

	2025	2024
Salaries, wages and non-pension benefits	\$ 31,365	\$ 28,099
Pension benefits	<u>1,411</u>	<u>1,290</u>
	<u>\$ 32,776</u>	<u>\$ 29,389</u>

**Note 19 Budget**

Unaudited budget amounts, which were approved by the Board of Governors February 15, 2024, have been provided for comparative purposes.

**BANFF CENTRE FOR ARTS AND CREATIVITY**  
**Notes to the Consolidated Financial Statements**

For the year ended March 31, 2025, with comparative information for 2024  
*(in thousands of dollars, except where specifically expressed in millions)*

**Note 20    Expense by object**

	2025		2024
	Budget (note 19)	Actual	Actual
Salaries, wages and benefits (note 18)	\$ 35,517	\$ 32,776	\$ 29,389
Purchased services	5,428	5,114	3,837
Materials, goods and supplies	5,584	3,924	3,797
Scholarships and financial assistance	4,640	3,916	2,487
Facility operations and maintenance	4,043	2,515	2,029
Utilities	2,437	2,188	2,246
Travel, training and related costs	1,271	1,091	937
Rentals and equipment	1,710	1,896	1,736
Marketing and recruitment	806	552	500
Financial costs	810	843	763
Amortization of capital assets (note 6)	5,082	5,228	5,583
	<u>\$ 67,328</u>	<u>\$ 60,043</u>	<u>\$ 53,304</u>

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

**Note 21    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 11.