

Board of Governors of The Banff Centre

ANNUAL REPORT

March 2025 – April 2026



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.

Table of Contents

Land Acknowledgement	1
Accountability Acknowledgement	3
Management's Responsibility for Reporting	3
Public Interest Disclosure (Whistleblower Protection) Act	4
Goals and Performance Measures.....	5
Goal 1	6
Goal 2	7
Goal 3	8
Financial Information	10
a. Budget Variances	10
b. Audited Financial Statements	11
Self-generated Revenue.....	11
Capital Report	15
Free Speech Reporting	18
Board of Governors Training on For-profit Ventures.....	19

Accountability Acknowledgement

September 3, 2026

Banff Centre's Annual Report for the year ended March 31, 2026, 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*.

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 2025-2026 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

Banff Centre is pleased to report on progress toward accomplishing Banff Centre's strategic plan goals over the past year. This progress contributes to fulfilling Banff Centre's role and mandate under the *Post-Secondary Learning Act*, programming, and participant support to meet the needs of participants and employees, strategic priorities, and collaborations with other educational institutions.

Banff Centre's current strategic plan, *Creative Pathways*, outlines Banff Centre's commitment to fostering creativity, collaboration, and community engagement and identifies five strategic pathways: Create, Connect, Grow, Partner, and Engage which guide Banff Centre's activities.

Create: Banff Centre is deeply committed to, and has a globally respected track record of, advancing artists and leaders of all kinds and at all stages of their careers, showcasing their work to audiences, and inspiring them to make unique contributions which enrich the world.

Connect: Banff Centre embraces the relationships it holds, those it helps create, and those that it will form in the future. Banff Centre sees its relationships as reciprocal, with a commitment to reliably set and meet expectations, to be courageous and compassionate, and to make space for the sharing of knowledge and expression.

Grow: Financial support to deliver the education and training programs at the core of Banff Centre's mission come from a combination of government grants, sponsorships, individual donations, and earned revenue generated from onsite conferences and hospitality offerings. Banff Centre has been a leader in this balanced revenue model for decades, and its enterprising approach to further growth and diversification of revenue sources will be required to continue to support this model. Banff Centre will continue to seek innovative ways to diversify its revenue model.

Partner: The full realization of this plan creates the opportunity for new, strong partnerships; formalized agreements, built on reciprocity and a shared vision. These may take the form of joint ventures or other means of working together. Banff Centre will actively strengthen existing partnerships and seek out new opportunities with Indigenous organizations, businesses, other arts, educational organizations, and, most importantly, its local community.

Engage: The achievement of Banff Centre's mission and vision relies on, builds on, and enriches the work of others. Banff Centre's network includes over 80,000 alumni participants and faculty worldwide, other post-secondary institutions, other national arts organizations, a strong relationship with employees and the Canadian Union of Public Employees, and conference and hospitality guests from around the world. In addition, Banff Centre values its relationships with key stakeholders including all levels of government, its donors and supporters, its neighbouring communities in the Bow Valley and across the province.

Goal 1

Student Supports and Resources

Banff Centre Strategic Plan pathway: *Create*

Banff Centre recognises that for individuals to be creative leaders in their fields, their mental and physical health must be respected and nourished, acknowledging the whole person. To achieve this goal, Banff Centre continues to provide a comprehensive range of resources to support participants' well-being both in person and virtually through the Participant Resources office. 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. Weekly, in-person mindfulness sessions delivered by a local practitioner, with additional sessions that are available on-demand to both staff and participants, include 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 and in 2025-26 new training was developed by the campus counsellor specifically addressing the unique Banff Centre context to provide tools and skills to staff to support participants who may be struggling.

Banff Centre holds memberships with Pride at Work and Indigenous Works, which offer various webinars and training on the themes of 2SLGBTQIA+, diversity, and Indigenous inclusion in the workplace.

Many programs integrate land-based or experiential learning to help participants connect with Banff Centre's sense of place as a mountain destination. Examples include guided medicine walks on campus and off-campus cultural visits, such as tours of the Indigenous and archival collections of the Whyte Museum of the Canadian Rockies. These experiences deepen participants' understanding of land and culture, key elements of Banff Centre's educational philosophy.

Banff Centre Strategic Plan pathway: *Connect*

Truth and Reconciliation is an ongoing journey, and Banff Centre continues to support the campus community by providing training opportunities and awareness-raising events. Special events open to staff, participants and faculty designed to acknowledge and raise awareness around Missing and Murdered Indigenous People, Orange Shirt Day and several public events including workshops, talks and performances celebrating Indigenous Peoples History month were all well attended. With 40% of registered participants self-identifying as members of an Indigenous community in 2025-2026, this work is deeply meaningful and impactful.

All Indigenous programs invite Elders to welcome cohorts to start "in a good way", lead ceremony, and remain available for cultural connection to provide participants with support throughout their program.

A renewed commitment to participant evaluations and feedback was realised through the hiring of a Program Manager, Evaluations. Although post-program evaluations and alumni evaluations have been conducted for decades, this dedicated role ensures questions remain relevant, contribute to the ongoing improvement of program design, inform future programming, and support the analysis and sharing of findings. The data gathered through this work is quantified for each program and is compiled by discipline to highlight annual trends.

Goal 2

Strategic Research Priorities

Banff Centre Strategic Plan pathway: *Create and Engage*

As a respected education institution with a global reputation, Banff Centre remains strongly committed to providing training and creative development opportunities across all disciplines and at all career stages.

Importance is placed on ensuring that program design in all disciplines responds to the evolving needs and interests of participants and prioritizes relevance in a fast-changing world. To this end, the artform directors maintain a close eye on trends and areas of debate nationally and internationally and identify how Banff Centre can best address them. This relates to themes identified for exploration within a program, the range of skills and experience offered by chosen faculty, and the creation of opportunities for participants to interact and engage across disciplines to further enrich their experience. *Interplay*, a program that brought together the opera and chamber music programs that ran for 4 weeks in June/July 2025 was designed to offer training and performance opportunities for artists to experiment together exploring ways in which their own practice could be expanded and enriched through collaboration. The 2025 program brought together musicians, singers, composers, directors, and designers and culminated in a fully produced production of Paul Ruders' *The Handmaid's Tale* in a learning environment that reflects contemporary interdisciplinary practice.

In Literary Arts the Comics and Graphic Novels program (6-18 October 2025) responded to a growing professional and reader interest in these genres by offering writers across generations the opportunity to receive feedback, skills training and participation in one-on-one workshops with expert faculty. Writers were given studios within the visual arts building, Glyde Hall, where they were able to benefit from further learning from the visual arts staff facilitators who supported their various needs including printing, papermaking and photography requirements for their books.

Banff Centre Strategic Plan pathway: *Connect*

Banff Centre IMA Work Integrated Learning performance metrics: Applied Research projects; Entrepreneurship.

Arts

Many of Banff Centre's programs are centered around a theme that provides an academic and creative focus for participants. That lens gives them the opportunity to explore their work either through new perspectives or by delving deeper into an existing practice in ways that are often transformative for their technique and creative inspiration. One example was the Playwright's Lab (21 April – 3 May, 2025) a

program supporting new play development providing Canadian playwrights with time and space to experiment, rewrite and explore their plays under the mentorship of faculty providing dramaturgical training, constructive feedback and other skills to address the challenges of writing for contemporary theatre. Another example is the inclusion in each of the nine Literary Arts programs of a professional guest to advise on industry practices within the publishing sector to better equip participant writers for the realities of their professional world.

During the 2025-26 year, Banff Centre offered 40 arts programs across music, dance, opera, theatre, literary, Indigenous, visual arts, mountain culture, and professional training programs totaling 13,639 participant days. Programs took place across campus including residencies in the Leighton Studios for artists in a variety of disciplines and ranged in length from two to five weeks.

Indigenous Leadership

Two custom programs were offered within Indigenous Leadership programs: an off-site Negotiation Skills Training with the Chippewas of Nawash First Nation from the Bruce Peninsula region in Ontario and an on-site Negotiation Skills Training with the Lake Babine First Nation- the third largest Aboriginal Band in British Columbia located 250 kilometers west of Prince George.

Banff Centre also hosted two national thought leaders gathering on Indigenous Youth Leadership, and three design sessions. This work is leading to a launch of a new experiential program in Indigenous Youth Leadership in 2026 offering young Indigenous people a vibrant, culturally grounded space to explore leadership, strengthen skills, and build confidence.

In addition, Banff Centre held a Faculty Gathering, where faculty elders and institutional leaders met and reviewed the program model, reflected on gaps and emerging needs within Indigenous communities in Canada, and explored whether Banff could build new programming that is aligned with those needs. The gathering also heard from Banff Centre leaders on participant data and demographics and feedback from participant evaluations.

Director Simon Ross attended a province wide Shaping a Digital Future for Indigenous People convening in Calgary and delivered the keynote at the Nipikiskwasiiwan Nation summit in Edmonton which focused on Child and Family, and Youth leadership needs.

Goal 3

Collaboration with Other Learning Providers

Strategic Plan pathway: *Partner*

Banff Centre IMA Work Integrated Learning performance metrics: Applied Research projects; Entrepreneurship; Field Placements.

Convening and Summits

In October Banff Centre partnered with the University of Alberta on the summit: What Universities Owe Democracy in Increasingly Polarized Times. This brought together thought leaders, public servants, post-secondary presidents, scholars and cultural voices- including former prime minister Stephen Harper, former premier Rachel Notley, former deputy prime minister Anne McLellan, former minister of foreign affairs John Baird, and public intellectual and author John Ralston Saul—all to spark meaningful dialogue around the urgent challenges facing democracy today. This event launched the U of A's Peter Lougheed

School of Politics and Democracy. The Minister of Advanced Education, Myles McDougall, attended and noted Banff Centre's success in partnering on the event as co-recipients of the Peter Lougheed Leadership funds (PLLI). Strengthening partnerships within the post-secondary sector is a priority of Advanced Education.

In partnership with Canadian Heritage, Banff Centre hosted the first ever National Summit on Artificial Intelligence and Culture March 15 to 17, 2026. The summit convened leaders from the cultural, government, technology, academic, and civil society sectors, including Marc Miller, Minister of Canadian Identity and Culture and Minister responsible for Official Languages, and Evan Solomon, Minister of Artificial Intelligence and Digital Innovation, to discuss and reflect on a shared vision for the future of culture in the age of artificial intelligence and to shape solutions that are innovative, responsible, and distinctly Canadian. These discussions will help shape Canada's approach to artificial intelligence and help inform the development of the country's next AI strategy.

Building on these discussions, at the conclusion of the summit the Government of Canada announced the establishment of an AI and Culture Advisory Council. The twelve-member rotating membership council will help government and the creative sector navigate the rapid changes being driven by artificial intelligence, and provide ongoing advice and insight to support both the protection of Canada's cultural industries and the opportunities for growth and innovation.

Strategic Plan pathway: *Grow*

Cultural Leadership

In October Banff Centre announced a new suite of Cultural Leadership programs. The first seven programs (with more in development) are: Cultural Leadership: Reflecting Forward with Wise Practices; Truth, Reconciliation & Leadership: Building Culturally Responsive Organizations; Governance & Financial Resilience: Executive Tools for a Changing Sector; Partnerships in the Arts: Building Resilient Cultural Ecosystems; Before the Plan: Strategic Foresight for Cultural Leadership; From Data to Relational Direction: Evaluative Practices for Cultural Leaders; and Reimagining Cultural Policy: Leading Change Across Governance Systems.

Banff Centre IMA Work Integrated Learning performance metrics: Practicums

In 2024, for the first time since the pandemic forced closure, Banff Centre re-launched its Professional Training Program (PTP), formally known as the Practicum program. In their new form, these programs were integrated within the artform programs, and in 2025/26 we built on the success of those pilots. For example, participants in the Wardrobe Technician PTP developed skills in hands-on workshops led by industry professionals within the Interplay opera program which this year involved them in the production of a fully staged opera. In support of the renewed focus on digital arts, opportunities for audio engineers to receive technical and real life training were also extended with three programs run by the Music department: Soundweavings a new program for musicians from diverse cultural practices from around the world; Jazz and Sonic Arts and the non-thematic, Banff Musicians in Residence programs.

Banff Centre is committed to offering training and creative opportunities for Indigenous artists in Canada and from around the world. Notably, that commitment extends to programs like Digital Constellations that provides training in experimental production in digital media, narrative film and animation, one of our year-round Indigenous Arts programs. In accordance with Banff Centre policy, all Canadian Indigenous artists receive 100% scholarships covering tuition, accommodation, and meals.

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 31st, 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	\$20,122	\$17,672	\$(2,450)	Strategic reduction in the drawdown of Government of Alberta Grants, with higher utilization of own sourced surplus.
Federal Government Grants	\$2,564	\$2,624	\$60	Immaterial
Other Governments Grants	-	-	-	Immaterial
Student Tuition and Fees	\$3,713	\$3,795	\$82	Immaterial
Sales of Services and Products	\$42,591	\$43,116	\$525	Events department increasing revenue by from a combination of a BISQ competition year and the 50th anniversary of the Banff Mountain Film Festival.
Donations and Other Grants	\$4,662	\$4,518	\$(144)	Immaterial
Investment Income	\$3,399	\$2,584	\$(815)	Strategic deferral of restricted program funding, with higher utilization of own sourced surplus.
Salaries, wages and benefits (note 18)	\$39,307	\$36,975	\$2,322	Significant savings across the organization, primarily related to efficiencies in operations, staff departures, and unfilled positions.
Purchased services	\$6,004	\$6,810	\$(806)	Approved spending in Q4 from surpluses related to G7.
Materials, goods and supplies	\$5,022	\$4,517	\$505	Marginal savings primarily related to cost of food.
Scholarships and financial assistance	\$4,850	\$4,821	\$29	Immaterial

Facility operations and maintenance	\$4,288	\$2,674	\$1,641	Reduced expenses in normal course facility maintenance expense due to capacity constraints.
Utilities	\$2,483	\$2,081	\$402	Reductions in natural gas expense due to removal of the carbon tax.
Travel, training and related costs	\$1,721	\$1,667	\$54	Immaterial
Rentals and equipment	\$2,117	\$2,459	\$(342)	Immaterial
Marketing and recruitment	\$858	\$536	\$322	Immaterial
Financial costs	\$945	\$1,261	\$(316)	Immaterial
Amortization of capital assets (note 6)	\$5,390	\$5,560	\$(170)	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	\$2,554
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	\$912
Program Application Fees	Application fee charged to the student to cover registration expenses: \$65 per application \$35 per application for indigenous participants	\$329
Subtotal		\$3,795

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	\$700
Donations In-Kind	N/A	-
Interest Earned	Short term investment income earned in GIC and Savings accounts	\$408
Endowment utilization	Endowment distribution utilized in the year	\$2,176
Realized Gains/Losses	Immaterial	-
Other – DECC	Amortization of deferred expended capital contributions	\$3,395
Other - Sponsorships	Sponsorship revenue, primarily related to the Banff Mountain Film Festival	\$958
Other - Prior year gifts utilized	Prior year donations brought into revenue in the year to match the restricted program activity expenses	\$2,860
Other - Security gifts	Gifts of shares to support the program offerings at Banff Centre	\$1
Subtotal		\$10,498

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 (\$2,135), Canada Council (\$439), Young Canada Works (\$50)	\$2,624
Subtotal		\$2,624

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 to recruit and retain staff.	\$1,235
Parking Services	N/A	N/A
Laundry Facilities	N/A	N/A
Printing Services	Printing service revenue and merchandise sales	\$126
Sports and Recreational Facilities	Sally Borden recreation centre caters to Banff Centre participants, conference guests and locals in the Bow Valley	\$994
Rental Services	Includes facility rentals on campus primarily related to the use of space by conference guests, significant increase due to hosting of G7	\$11,008
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	\$668

Other - Mountain Culture (including sponsorships)	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.	\$2,766
Other – Technical Services	The technical services department supports the audio and visual needs of conference guests and program participants	\$641
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 and overall revenue in general and exists to support the mandate of Banff Centre	\$25,678
Subtotal		\$43,116

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 25/26 Banff Centre continued growth in 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		\$60,033

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 – Mechanical replacement Program

<i>Description</i>	<i>Total Project Cost</i>	<i>Start Date</i>	<i>End Date</i>
<p>The project aims to address aging mechanical systems across campus which are end of life and require replacement. The project will be achieved in three phases:</p> <p>Phase 1 – Glyde Hall, Walter Phillips Gallery Phase 2 – MaxBell Phase 3 – Jeanne and Peter Lougheed, Corbett Hall</p>	<p>Phase 1 – \$3,630 Phase 2 – \$2,399 Phase 3 – \$3,900</p> <p>Total - \$9,929</p>	<p>Phase 1 – April 2026 Phase 2 – April 2027 Phase 3 – April 2028</p>	<p>Phase 1 – March 2027 Phase 2 – March 2028 Phase 3 – March 2029</p>

Funding Sources

<i>Source</i>	<i>Amount</i>	<i>Percentage</i>	<i>Received to Date</i>
Government of Alberta	\$9,929 *Currently no approval obtained*	100%	\$
Government of Canada	\$	0%	\$
Institutional Funds	\$	0%	\$
Donations	\$	0%	\$
Foundations	\$	0%	\$
Industry	\$	0%	\$
Total	\$9,929	100%	\$

Project 2 – Accommodation Heating, Ventilation, and Air Conditioning (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 26/27, Banff Centre will look to reimagine use of the Professional Development Centre (PDC) and add HVAC upgrades (air conditioning) to PDC. Once project assessment is complete, Banff Centre will have an updated capital budget for the overall project, the current \$4.6 million covers only HVAC upgrades and the building assessment.	\$4,574	April 2026	March 2029

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	\$1,574 *Currently no Approval obtained*	35%	\$
Government of Canada	\$	0%	\$
Institutional Funds	\$3,000	65%	\$3,000
Donations	\$	0%	\$
Foundations	\$	0%	\$
Debt financing	\$	0%	\$
Total	\$4,574	100%	\$3,000

Project 3 – Elevator replacement program

Description	Total Project Cost	Start Date	End Date
Numerous buildings have aging elevators requiring upgrading of control systems, replacement of major components and complete rebuilding of elevator systems. This project is phased according to current priority but may change as all elevators are nearing or at end of life. Phase 1 includes Sally Borden interior, Jean and Peter Loughheed freight and Lloyd hall South Wing elevator. Phase 2 includes Lloyd Hall North Wing, Kinnear Service Centre Service, Maxbell	Phase 1 - \$1,329 Phase 2 - \$1,332 Total - \$2,661	April 2026	March 2029

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	\$2,661 *Currently no Approval obtained*	100%	\$
Government of Canada	\$	0%	\$
Institutional Funds	\$	0%	\$
Donations	\$	0%	\$
Foundations	\$	0%	\$
Debt Financing	\$	0%	\$
Total	\$2,661	100%	\$

b. All Other Projects

Name and Description	Type	Total Cost	Current Status
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Enterprise Resource Planning (ERP) system replacement will move to a SaaS version of Oracle Cloud and replace the core functionality of Finance, HR, Procurement, and budgeting	New	\$6,516	Nearing completion
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	Planning
On Site Affordable Staff Housing – to help address the housing crisis in Banff, the project will be accomplished through the demolition of existing 4 single family dwellings and 12 townhouses and construction of new, higher density housing on the site. The cost represents the full 85 units, a staged approach is possible.	New	\$65,000	Planning
Emergency Power System Upgrades - Inadequate generators or lack of generators in some of the buildings to carry required loads	Preservation	\$1,621	Planning
Upper campus master plan, planning component	Preservation	\$500	Planning
Glyde Hall Restoration – Significant work is required in the building interior to support Banff Centre's programs, including specialized equipment, mechanical, and environmental system upgrades	Preservation	\$23,800	Planning
Total		\$101,767	

Free Speech Reporting

Banff Centre's free speech policy, called the Freedom of Expression Policy, is located on Banff Centre's website at www.banffcentre.ca/policies-procedures and has not been amended in the 2025-2026 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 2025-2026 fiscal year, no events were cancelled for reasons related to free speech.

During the 2025-2026 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 Enterprises¹ during the 2025-26 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.

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

Attachments

Audited Financial Statements – Fiscal Year 2025-2026

BANFF CENTRE FOR ARTS AND CREATIVITY
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT THEREON
For the year ended March 31, 2026

BANFF CENTRE FOR ARTS AND CREATIVITY

Statement of Management Responsibility

For the year ended March 31, 2026

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, 2026 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.

DocuSigned by:

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President and CEO

DocuSigned by:

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Chief Financial Officer



KPMG LLP
KPMG Tower
2200 - 240 4th Avenue SW
Calgary, AB T2P 4H4
Canada
Tel 403 691 8000
Fax 403 691 8008

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Banff Centre for Arts and Creativity

Opinion

We have audited the consolidated financial statements of 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, 2026
- 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, 2026, 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.



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.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal flourish underneath.

Chartered Professional Accountants

Calgary, Canada

June 3, 2026

BANFF CENTRE FOR ARTS AND CREATIVITY**Consolidated Statement of Financial Position**

As at March 31, 2026, with comparative information for 2025

(in thousands of dollars)

	2026	2025
Assets		
Current assets		
Cash and cash equivalents	\$ 23,923	\$ 18,489
Accounts and grants receivable (note 5)	8,321	4,164
Inventories and prepaid expenses	1,117	1,211
	33,361	23,864
Long-term investments (note 3)	60,999	60,735
Capital assets (note 6)	146,739	141,820
	<u>\$ 241,099</u>	<u>\$ 226,419</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,786	\$ 5,167
Unearned revenue and deposits (note 8)	5,814	4,826
Current portion of deferred contributions (note 9)	13,676	14,638
Current portion of loans and borrowings (note 11)	3,194	434
	29,470	25,065
Loans and borrowings (note 11)	10,362	10,806
Employee future benefit liabilities (note 12)	5	831
Deferred contributions (note 9)	13,904	14,879
Deferred expended capital contributions (note 10)	111,463	109,019
Asset retirement obligations (note 7)	3,864	3,840
	<u>169,068</u>	<u>164,440</u>
Net Assets		
Accumulated operating surplus (note 14)	22,372	14,002
Endowments (note 15)	49,659	47,977
	<u>72,031</u>	<u>61,979</u>
	<u>\$ 241,099</u>	<u>\$ 226,419</u>

Contractual obligations (note 13)

Contingencies (note 11, 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:

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Chair, Board of Governors

DocuSigned by:

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President and CEO, Banff Centre

BANFF CENTRE FOR ARTS AND CREATIVITY**Consolidated Statement of Operations and Changes in Net Assets**

As at March 31, 2026, with comparative information for 2025

(in thousands of dollars)

	Budget 2026	Actual 2026	Actual 2025
Revenue	(Note 19)		
Government of Alberta grants (note 16)	\$ 20,122	\$ 17,672	\$ 17,857
Federal and other government grants (note 16)	2,564	2,624	2,574
Sales, rentals and services	42,591	43,116	26,474
Tuition and related fees	3,713	3,795	3,265
Donations and other grants	4,662	4,518	3,600
Investment earnings (note 17)	3,399	2,584	3,642
Amortization of deferred expended capital contributions (note 10)	3,434	3,395	3,211
	<u>80,485</u>	<u>77,704</u>	<u>60,623</u>
Expense (note 20)			
Arts and leadership programming	25,244	24,512	19,915
Institutional support	17,636	14,785	13,868
Facilities operations and related costs	12,831	12,460	11,522
Ancillary operations	17,274	17,577	14,738
	<u>72,985</u>	<u>69,334</u>	<u>60,043</u>
Excess of revenue over expense	<u>\$ 7,500</u>	<u>8,370</u>	<u>580</u>
Net assets, beginning of year		61,979	60,702
Endowment contributions and other transfers (note 15)		1,682	697
Net assets, end of year		<u>\$ 72,031</u>	<u>\$ 61,979</u>

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, 2026, with comparative information for 2025

(in thousands of dollars)

	2026	2025
Operating Transactions		
Excess of revenue over expense	\$ 8,370	\$ 580
Non-cash items:		
Amortization of capital assets (note 6)	5,560	5,228
Amortization of deferred expended capital contributions (note 10)	(3,395)	(3,211)
Change in share of UAPP pension obligation	(826)	(814)
Change in:		
Accounts and grants receivable	(4,157)	(755)
Inventories and prepaid expenses	94	6
Accounts payable and accrued liabilities	2,470	1,135
Unearned revenue and deposits	988	554
Employee future benefit liabilities	-	(159)
Deferred contributions	1,488	(1,599)
Cash provided by operating transactions	10,592	965
Capital Transactions		
Acquisition of capital assets (note 6)	(8,526)	(11,749)
Cash applied to capital transactions	(8,526)	(11,749)
Investing Transactions		
Proceeds on sale (purchases) of long-term investments, net	74	(2,110)
Realized endowment investment earnings, net of distributions	(1,144)	5,340
Cash (used in) provided by investing transactions	(1,070)	3,230
Financing Transactions		
Deferred capital contributions received	3,190	5,242
Endowment contributions and transfers (note 15)	1,682	697
Loan principal repayments	(434)	(529)
Cash provided by financing transactions	4,438	5,410
Increase (decrease) in cash and cash equivalents	5,434	(2,144)
Cash and cash equivalents, beginning of year	18,489	20,633
Cash and cash equivalents, end of year	\$ 23,923	\$ 18,489
Cash and cash equivalents, end of year, is comprised of:		
Cash on hand	\$ 2,017	\$ 3,672
Demand deposits and guaranteed investment certificates	21,906	14,817
	\$ 23,923	\$ 18,489

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, 2026, with comparative information for 2025
(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, private credit and infrastructure.

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, 2026, with comparative information for 2025
(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, 2026, with comparative information for 2025

(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, 2026, with comparative information for 2025

(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, 2026 and 2025, 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.

In March 2026, the Public Sector Accounting Standards Board issued PS 3251, Employee Benefits. This Standard, which replaces Retirement Benefits (PS 3250) and Post-Employment Benefits, Compensated Absences and Termination Benefits (PS 3255), applies to fiscal years beginning on or after April 1, 2029. PS 3251 establishes requirements for the recognition, measurement, presentation, and disclosure of employee benefits.

Management is currently assessing the impact of PS 3251 on the consolidated financial statements.

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

For the year ended March 31, 2026, with comparative information for 2025

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

	2026	2025
Long-term investments, non-endowment	\$ 11,340	\$ 12,758
Long-term investments, restricted for endowments	49,659	47,977
	<u>\$ 60,999</u>	<u>\$ 60,735</u>
Investments at cost or amortized cost:		
Alternative investments - insurance policy	\$ 870	\$ 836
	<u>\$ 870</u>	<u>\$ 836</u>
Investments at fair value:		
Cash and cash equivalents held for investment and in brokerage accounts	308	600
Canadian government bonds	1,805	11,358
Corporate bonds	9,888	2,116
Equity investments	34,394	39,387
Alternative investments - private equity, private credit, and infrastructure	13,734	6,438
	<u>60,129</u>	<u>59,899</u>
	<u>\$ 60,999</u>	<u>\$ 60,735</u>

In order to shelter 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 \$7.7 million (2025 - \$6.4 million) to Northleaf for investment in their private equity (\$3.7 million) and infrastructure (\$4.0 million) portfolios. Banff Centre has now fulfilled all committed capital to Northleaf. 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, other fixed income investments, 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, private credit and infrastructure portfolios.

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

	2026	2025
Balance, beginning of year	\$ 6,438	\$ -
Unrealized gains (losses)	(439)	-
Purchases	7,735	6,438
Balance, end of year	<u>13,734</u>	<u>6,438</u>

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

For the year ended March 31, 2026, with comparative information for 2025
(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 \$344 (2025 - \$394).

(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	\$	31,405	\$ -
US denominated investments		18,893	189
Investments denominated in other currencies		10,701	107
	\$	60,999	\$ 296

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 \$33.8 million (2025 - \$28.9 million), the impact of each 1% change in interest rates would be \$338 annually (2025 - \$289). 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	-	-	3.0
Money market funds	100.0	-	-	3.3
Canadian government and corporate bonds	37.9	34.9	27.2	3.7

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

For the year ended March 31, 2026, with comparative information for 2025

*(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:

	2026	2025
A or higher	86.0%	89.2%
BBB	14.0%	10.8%

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 (2025 - \$14.2 million) available to ensure that funds are available to meet current and forecasted financial requirements. At March 31, 2026, \$2.75 million (2025 - \$nil) 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, 2026 related to the Northleaf investment.

Note 5 Accounts and grants receivable

	2026	2025
Trade accounts receivable, net of allowance for doubtful accounts	\$ 2,316	\$ 1,996
Grant, participant and other receivables	6,005	2,168
	<u>\$ 8,321</u>	<u>\$ 4,164</u>

Accounts receivable are unsecured and non-interest bearing; \$0.2 million is past due more than 90 days at March 31, 2026 (2025 - \$0.1 million).

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

For the year ended March 31, 2026, with comparative information for 2025

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

2026					
	Land improvements	Buildings and improvements	Equipment, furnishings and software	Property under development (PUD)	Total
Cost					
Beginning of year	\$ 2,802	220,305	47,426	1,134	\$ 271,667
Additions	-	3,619	3,223	3,637	10,479
PUD transfers	-	-	533	(533)	-
	<u>2,802</u>	<u>223,924</u>	<u>51,182</u>	<u>4,238</u>	<u>282,146</u>
Accumulated amortization					
Beginning of year	\$ 2,769	85,515	41,140	423	129,847
Amortization expense	4	4,234	1,322	-	5,560
	<u>2,773</u>	<u>89,749</u>	<u>42,462</u>	<u>423</u>	<u>135,407</u>
Net book value - March 31, 2026	<u>\$ 29</u>	<u>\$ 134,175</u>	<u>\$ 8,720</u>	<u>\$ 3,815</u>	<u>\$ 146,739</u>

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

Cash flow information	2026	2025
Total capital asset additions	\$ 10,479	\$ 10,761
Non-cash deduction from capital asset additions financed through capital lease facility	(2,750)	-
Non-cash addition from asset retirement obligation change in estimate	(78)	-
Change in accounts payable balances related to capital asset additions	875	988
Cash used for capital asset additions	<u>\$ 8,526</u>	<u>\$ 11,749</u>

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

For the year ended March 31, 2026, with comparative information for 2025

*(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, 2026 is approximately \$6.9 million (2025 - \$6.9 million) related to assets under capital leases. The amortization expense related to assets under capital leases for the year ended March 31, 2026 was \$0.4 million (2025 - \$0.5 million). The accumulated amortization at March 31, 2026 includes \$5.4 million (2025 - \$4.9 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 was \$0.1 million additions to permanent collections in 2026 (2025 - \$0.1 million). As of March 31, 2026, the cumulative historical cost of these assets that has not been capitalized is \$1.8 million (2025 - \$1.7 million).

Note 7 Asset Retirement Obligations**Balance, beginning of year**

Liability settled

Change in estimate

Balance, end of year

	2026	2025
	\$ 3,840	\$ 4,323
	(54)	(483)
	78	-
	<u>\$ 3,864</u>	<u>\$ 3,840</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 (2025 - 11 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 \$3.9 million obligation at March 31, 2026 (2025 - \$3.8 million). Banff Centre has partially settled the liability related to one building on campus, during minor renovations in the Sally Borden Building during the year ended March 31, 2026. The cost to abate the asbestos was lower than the existing liability; however, this was non-invasive remediation representing a portion of the existing liability. As such, management has taken the conservative approach of increasing the revision in estimate for the year ended March 31, 2026.

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

	2026	2025
Deposits for accommodations	\$ 1,932	\$ 1,973
Other sales and services	3,882	2,853
	<u>\$ 5,814</u>	<u>\$ 4,826</u>

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

For the year ended March 31, 2026, with comparative information for 2025

*(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.

	2026			2025	
	Operating	Capital/ Maintenance	Total	Total	
Balance, beginning of year	\$ 24,152	5,365	29,517	\$	33,265
Grants and contributions received or receivable	5,918	3,190	9,108		8,920
Restricted investment earnings (note 17)	1,929	191	2,120		4,109
Recognized as operating revenue:					
Grants and contributions	(5,128)	(41)	(5,169)		(4,834)
Restricted investment earnings (note 17)	(2,157)	-	(2,157)		(3,087)
Transfers to fund capital acquisitions (note 10)	-	(5,839)	(5,839)		(8,856)
Balance, end of year	24,714	2,866	27,580		29,517
Current portion of deferred contributions	10,940	2,736	13,676		14,638
Long-term deferred contributions	\$ 13,774	\$ 130	\$ 13,904	\$	14,879

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:

	2026	2025
Balance, beginning of year	\$ 109,019	\$ 103,374
Transferred from deferred contributions to acquire capital assets (note 9)	5,839	8,856
Amortization revenue	(3,395)	(3,211)
Balance, end of year	\$ 111,463	\$ 109,019

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

For the year ended March 31, 2026, with comparative information for 2025

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

	Maturity	Interest Rate (%)	2026	2025
Debenture payable to the Department of Treasury Board and Finance	December 2045	2.27	\$ 10,806	\$ 11,240
Capital lease facility				
Progress payment advances	On Demand	RBC Prime	2,750	-
			13,556	11,240
Current portion of loans and borrowings			3,194	434
Long-term portion of loans and borrowings			\$ 10,362	\$ 10,806

In June 2017, Banff Centre borrowed \$14.0 million from the Department of Treasury Board and Finance 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 (2025 - \$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 \$2.8 million as at March 31, 2026 (2025-\$Nil). 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, 2026, commercial letters of credit of \$30 (2025 - \$30) were issued and outstanding under the CIBC facilities.

Banff Centre has a credit card facility available with a limit of \$625 CAD and \$75 USD (2025 - \$625 CAD, \$75 USD). As at March 31, 2026, Banff Centre had utilized \$251 (2025 - \$151), which is included in accounts payable and accrued liabilities.

Interest expense on loans and borrowings for the year ended March 31, 2026 was \$307 (2025 - \$345). 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, 2026.

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

For the year ended March 31, 2026, with comparative information for 2025

*(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
2027	\$ 444	249	693
2028	1,357	239	1,596
2029	1,367	228	1,595
2030	1,379	218	1,597
2031	472	207	679
Thereafter	8,537	1,624	10,161
	<u>\$ 13,556</u>	<u>\$ 2,765</u>	<u>\$ 16,321</u>

Note 12 Employee future benefit liabilities

	2026	2025
Share of UAPP pension obligation	\$ -	\$ 831
Deferred salary leave plan	5	-
	<u>\$ 5</u>	<u>\$ 831</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 \$846 (2025 - \$744) 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, 2025. At December 31, 2025, the PSPP reported an actuarial surplus of \$7,706 million (December 31, 2024 - \$6,474 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, 2024 and further extrapolated to March 31, 2026. Banff Centre's share of the benefit liability, which has been allocated based on employer contributions to the plan, is estimated to be \$Nil at March 31, 2026 (2025 - \$0.8 million). Banff Centre recorded its share of pension expense of \$0.8 million (2025 - \$0.7 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:

	2026	2025
Accrued benefit obligation at March 31	\$ 35,648	\$ 29,443
Discount rate	5.90%	6.10%
Benefit costs for years ended March 31	\$ 1,150	\$ 935
Discount rate	5.90%	6.10%
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, 2026, with comparative information for 2025
(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% (2025 - 1.25%) of salaries by the Government of Alberta. Employees and employers share equally the balance of the contributions of 4.03% (2025 - 3.57%) of salaries required to eliminate the unfunded deficiency by December 31, 2043.

The estimated surplus at March 31, 2026 for the UAPP plan as a whole, before unamortized actuarial net losses, is \$612.7 million (2025 - \$426.8 million unfunded deficiency), of which the Government of Alberta share is \$219.5 million (2025 - \$202.8 million), the employer pool share is \$416.1 million (2025 - \$314.8 million) and the employee pool share is \$416.1 million (2025 - \$314.8 million). Banff Centre's share of the surplus for the employer pool at March 31, 2026 is \$4.6 million (2025 - \$0.9 million unfunded deficiency).

Note 13 Contractual obligations and contingencies

In October 2022, Banff Centre entered into a long-term supply arrangement with an electrical utility supplier for its electrical power needs for the period January 1, 2026 to December 31, 2028, at a rate of \$71.56 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. In July 2025, Banff Centre committed to a new long-term supply arrangement with a natural gas supplier for the period of November 1, 2026 to October 31, 2030, at a rate of \$3.44 per gigajoule.

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 2026, December 2026, September 2027, December 2026, November 2026, and October 2026 respectively. Banff Centre is party to a software as a service contract with Oracle Fusion beginning in fiscal 2026 and is committed to its use until 2030.

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, 2027.

Contractual obligations are summarized as follows:

	Software as a service and Infrastructure
2027	\$ 955
2028	483
2029	381
2030	381
Thereafter	381
Total at March 31, 2026	\$ 2,581

Periodically, legal actions are brought against Banff Centre in the normal course of operations; as at March 31, 2026 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, 2026, with comparative information for 2025

*(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)	2026	2025
Accumulated operating surplus (deficit), beginning of year	\$ 14,833	\$ (831)	\$ 14,002	\$ 13,422
Excess (deficiency) of revenue over expense	8,370	-	8,370	580
UAPP pension benefits adjustment	(831)	831	-	-
Accumulated operating surplus (deficit), end of year	<u>\$ 22,372</u>	<u>\$ -</u>	<u>\$ 22,372</u>	<u>\$ 14,002</u>

Included in accumulated operating surplus is \$18.5 million (2025 - \$18.2 million) representing the amount of surplus that has been invested in capital assets.

Note 15 Endowments

	2026	2025
Endowments, beginning of year	\$ 47,977	\$ 47,280
Contributions	1,682	697
Endowments, end of year	<u>\$ 49,659</u>	<u>\$ 47,977</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, 2026 are cumulative matching funds received through the Endowment Incentives Component of \$17.1 million (2025 - \$16.8 million). Contributions for the year ended March 31, 2026 include \$256 (2025 - \$213) 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:

	2026	2025
The Banff Centre Foundation	\$ 41,519	\$ 39,837
Banff Canmore Foundation	8,140	8,140
	<u>\$ 49,659</u>	<u>\$ 47,977</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, 2026, with comparative information for 2025

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

	2026	2025
Base operating grant from Alberta Advanced Education	\$ 15,356	\$ 15,031
Other Government of Alberta grants:		
Alberta Advanced Education	2,235	2,749
Alberta Culture and Tourism	81	77
	<u>\$ 17,672</u>	<u>\$ 17,857</u>
Federal government grants:		
Government of Canada - Department of Canadian Heritage		
Canada Arts Training Fund	\$ 2,135	\$ 2,135
Canada Council for the Arts	439	429
Other government grants	50	10
	<u>\$ 2,624</u>	<u>\$ 2,574</u>

Note 17 Investment earnings

	2026	2025
Total investment earnings	\$ 2,547	\$ 4,664
Restricted investment earnings flowing through deferred contributions (note 9)	(2,120)	(4,109)
Restricted investment earnings expended in accordance with donor requirements (note 9)	<u>2,157</u>	<u>3,087</u>
	<u>\$ 2,584</u>	<u>\$ 3,642</u>

Note 18 Salaries, wages and employee benefits

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

	2026	2025
Salaries, wages and non-pension benefits	\$ 35,277	\$ 31,365
Pension benefits	<u>1,698</u>	<u>1,411</u>
	<u>\$ 36,975</u>	<u>\$ 32,776</u>

Note 19 Budget

Unaudited budget amounts, which were approved by the Board of Governors February 7, 2025, have been provided for comparative purposes.

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

For the year ended March 31, 2026, with comparative information for 2025
(in thousands of dollars, except where specifically expressed in millions)

Note 20 Expense by object

	2026		2025
	Budget (note 19)	Actual	Actual
Salaries, wages and benefits (note 18)	\$ 39,307	\$ 36,975	\$ 32,776
Purchased services	6,004	6,810	5,114
Materials, goods and supplies	5,022	4,517	3,924
Scholarships and financial assistance	4,850	4,821	3,916
Facility operations and maintenance	4,288	2,647	2,515
Utilities	2,483	2,081	2,188
Travel, training and related costs	1,721	1,667	1,091
Rentals and equipment	2,117	2,459	1,896
Marketing and recruitment	858	536	552
Financial costs	945	1,261	843
Amortization of capital assets (note 6)	5,390	5,560	5,228
	<u>\$ 72,985</u>	<u>\$ 69,334</u>	<u>\$ 60,043</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.