

THE BANFF CENTRE

ANNUAL REPORT 2013 | 2014



The Banff Centre
inspiring creativity



AT THE
INTER-
SECTION
OF ART
+ IDEAS



INSPIRING CREATIVITY

THE BANFF CENTRE'S MISSION

CONTENTS

- 6 ♦ Message from the Board Chair and the Interim President
- 9 ♦ Statement of Accountability
- 11 ♦ Our Vision
- 13 ♦ Our History
- 14 ♦ Our Programs
- 20 ♦ Our Partners and Stakeholders
- 21 ♦ Strategic Plan
- 23 ♦ Progress
- 33 ♦ Financial Sustainability
- 34 ♦ Future Forward
- 40 ♦ Fast Facts
- 42 ♦ Donors and Supporters
- 47 ♦ Consolidated Financial Statements
- 69 ♦ Governance

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I do what I do in the hopes that someone in the audience leaves a performance feeling inspired. To me, that's what it means to be an artist, your contribution helps me do it to the best of my ability.

– Phillippe Larouche, Laval, QC
The Banff Centre Professional Dance Program 2014

Cover: Esperanza Spalding is an American jazz bassist, cellist, singer, Grammy award winner and Banff Centre faculty for the 2013 Jazz Program. Spalding is one of many world class artists that have helped to steward world class artists at The Banff Centre's Jazz Program.

All images photo by Don Lee, The Banff Centre, unless otherwise noted.

THE BANFF CENTRE ANNUAL REPORT 2013-14

A message from the Board Chair and the Interim President

We are striving to be the world's best in the arts and in leadership development, and we have never been doing more to make this happen than we are today.

There has been a great deal to celebrate in this last year, from awe-inspiring performances and commissions to groundbreaking conferences and leadership programs.

Through the generosity of the Edwards family, The Banff Centre continues to be able to bring legendary leaders from around the world to Banff, including Spike Lee and Mikhail Baryshnikov. Sharing these unique experiences with audiences and participants is part of The Banff Centre's fabric; through guests in attendance and our broadcast channels online, these leaders not only spoke to hundreds in sold-out venues, but to thousands more around the world.

2013 also saw great success in fundraising, including our largest corporate gift from Suncor Energy and a \$35-million commitment from the Government of Alberta for the Peter Lougheed Leadership Institute. The Institute will enable The Banff Centre to reimagine our leadership development programs, building on our 60-year legacy of equipping leaders to better face challenges, drive results and realize opportunities. The Banff Centre supporters also continued to help us shape excellence through our arts programming, as well as removing financial barriers to creativity by enabling access for artists to attend The Banff Centre – a key goal for the Centre.

Through our focus on broadcast, intensive professional development, creation and research programs for artists and leaders,

The Banff Centre continues to meet the strategic goals agreed upon with The Ministry of Innovation and Advanced Education.

When you're reading this report you'll notice imagery from all aspects of The Banff Centre. These images showcase our proud home in the Canadian Rockies, in the heart of Banff National Park, a UNESCO World Heritage site, as well as the extensive diversity of our programming, our dedication to collaboration and our team's passion for Inspiring Creativity. It's this passion and dedication that makes us what we are.

We'd like to extend our thanks to staff and faculty members – their efforts have created new programs and residencies, commissions set to debut, and thriving conference and leadership departments. We look forward to working with national and international partners to foster creative capital in Alberta, for Canada and the world, across disciplines and without boundaries.



Jack Davis
Interim President



Brenda Mackie
Chair, Board of Governors



THE LARGEST ARTS + CREATIVITY INCUBATOR IN THE WORLD



MADE IN BANFF. SHARED WITH THE WORLD.

Sandra Laronde is the director of Indigenous Arts at The Banff Centre. Through her work, Indigenous Arts programming at The Banff Centre has grown to enhance opportunities for artists — writers, musicians, dancers and choreographers, visual and new media artists and others — to research, conceive and produce Indigenous work with cultural integrity and artistic merit. Photo by Rita Taylor, The Banff Centre 2013

STATEMENT OF ACCOUNTABILITY

The Banff Centre's Annual Report for the 12-month period ending March 31, 2014 was prepared under the Board's direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Government Accountability Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this Report.



Brenda Mackie
Chair, Board of Governors

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The Banff Centre's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report, including the consolidated financial statements, performance results and supporting management information. The 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 institution's Audit and Finance Committee, and approved by the Board of Governors. The Annual Report is prepared in accordance with the Government Accountability Act and the Post-Secondary Learning Act.



Jack Davis
Interim President



Gillian Danby
Vice-President and Chief Financial Officer

OUR VISION

The Banff Centre is a beacon attracting exceptional creators and thinkers from Alberta and around the world to our powerful, inspiring campus. We are recognized worldwide as an essential destination on the career pathway of highly creative individuals. The Banff Centre enables both emerging talents and established leaders to interact within a multidisciplinary and multicultural environment, allowing them to push boundaries, to experiment, to share knowledge, to create and showcase new work and to develop new ideas and solutions for the present and the future. The Banff Centre offers a deep, intensive experience for all who come here, developing creative potential and transforming careers.

The Banff Centre is a beacon attracting exceptional creators and thinkers from Alberta and around the world.

Aszure Barton's Awáa, Dance 2013



Audio Practicum Participants, Women in the Director's Chair 2013



Clifford E. Lee Choreography Award Winner Donald Sales' the ugly duckling, Dance 2013

“MAKE
NO SMALL
PLANS: THEY
HOLD NO
MAGIC TO
STIR MEN'S
BLOOD.

– Motto, Donald Cameron B. Sc., M. Sc., LL. D. D.U.C.

OUR HISTORY

Founded in 1933 by the University of Alberta, Department of Extension, with a grant from the US-based Carnegie Foundation, The Banff Centre began with a single course in drama. Its success generated additional arts programs and the Centre became known as The Banff School of Fine Arts in 1935. While arts programming continued to grow and flourish, conferences were introduced in 1953 and management programs in 1954.

In 1970, to acknowledge the broader educational role of the school, as well as its move toward a centre of experiment and innovation, it was renamed The Banff Centre for Continuing Education. In 1978, Alberta government legislation granted The Banff Centre full autonomy as a non-degree granting educational institution under the governance of an appointed board.

In the mid-1990s, The Banff Centre, along with most public institutions in Alberta, sustained cuts to its operating grant. The Centre responded in an entrepreneurial way and launched a successful capital campaign (The Creative Edge) to raise funds for state-of-the-art, revenue-generating conference facilities, as well as a new Music & Sound complex. The new facilities opened in 1996, the same year the Centre's fourth division, Mountain Culture programming, was created. A few years later, in 1999, The Banff Centre was recognized as a National Training Institute by the federal government and was awarded \$3 million over three years for artistic training programs.

In 2008, the Centre's name was officially changed to The Banff Centre.

Between 2004-10 The Banff Centre began a revitalization campaign, which was the largest redevelopment project in its history and encompassed over \$100 million in capital projects and \$28.2 million to provide enhanced support for programming. Major initiatives included: the Kinnear Centre for Creativity & Innovation, the Shaw Amphitheatre, dining centre, artists and programs, campus greening, and the Leighton Artists' Colony expansion. This was possible thanks to the visionary support of the Governments of Alberta and Canada, and the Campaign for The Banff Centre lead donors James S. Kinnear and Friends and The Kahanoff Foundation, among others.

Today, The Banff Centre continues its role as a catalyst for creativity. A globally-respected arts, leadership and educational institution and conference facility, The Banff Centre is a leader in the development and promotion of creative work across disciplines and sectors.



OUR PROGRAMS

WELCOME

7,000

artists, leaders and researchers

20,000

conference guests

80,000+

audience members

Designated by the Minister of Innovation and Advanced Education as a Specialized Arts and Culture Institution, The Banff Centre occupies a unique niche among Alberta's public post-secondary institutions, providing non-parchment programs at the professional, post-graduate level. Drawing participants from Alberta, across Canada, and globally, The Banff Centre serves the needs of learners with prior academic and professional experience by providing arts and leadership programming, and opportunities in applied research.

As the largest arts and creativity incubator in the world, The Banff Centre welcomes up to 7,000 artists, leaders and researchers, 20,000 conference guests and more than 80,000 audience members to its campus every year. Through multidisciplinary programming, The Banff Centre provides artists, leaders and researchers with the support they need to think dynamically, create new work, develop solutions and make the impossible possible.

The Banff Centre allows individuals to thrive at the intersection of art and ideas. The exploration of creativity and innovation across disciplines and without boundaries supports our mission of Inspiring Creativity. Broadly, The Banff Centre drives this mission through innovation in three areas; Arts, Leadership and Conferences.



THE BANFF CENTRE
INSPIRING CREATIVITY

ARTS
LEADERSHIP
CONFERENCES

ScrapArtsMusic's Spencer Cole (forefront) and Christa Mercey, 2012 Creative Residency



3,000

Artists visit annually

ARTS

Almost 100 arts programs are offered each year for professional artists, from recent graduates to artists at the forefront of the international scene in a wide range of artistic disciplines.

The Banff Centre offers artists a variety of developmental experiences to advance their work and careers, and also commissions, produces and disseminates new work. Collaboration and experimentation across disciplines and with new production and dissemination technologies is fostered in music, dance, writing for page, opera, screen and stage, poetry, ceramics, painting, sculpture, printmaking, digital art, film, media and audio art, Indigenous art, as well as training in audio engineering, theatre production and design.

Programs are flexible to meet the needs of participants and visiting artists. They include: residencies, workshops, practicum programs, the Leighton Artists' Colony (an artist retreat) and the multidisciplinary Banff Summer Arts Festival.

Signature Banff Centre programs embark on global tours. The Banff Mountain Film and Book Festival's World Tour travels to 46 countries and the Banff International String Quartet Competition tours its winners throughout the Americas and Europe.



The Banff International Workshop in Jazz and Creative Music has been completely transformative for me, and without a doubt stands as a milestone in my artistic and creative development.

– Nathan Leon, Miami, Florida, Piano Banff International Workshop in Jazz and Creative Music 2014



Marcus Gilmore, Jazz Faculty 2013



Errol Lee Fullen, Leighton Artists' Colony 2012

1,700

Leaders visit annually

LEADERSHIP

The Banff Centre has a rich 60-year history of transforming leaders from all sectors. The Banff Centre inspires leaders to make a meaningful difference for their organizations, their communities – and themselves. Reimagining these programs has begun within the context of the Peter Lougheed Leadership Institute to ensure they are relevant and cutting edge for the 21st century. The new Peter Lougheed Leadership Institute (once launched) will be at the heart of leadership development programming at The Banff Centre, honouring the legacy of one of Alberta's most visionary leaders, the former Alberta premier, Peter Lougheed. In 2013-14, The Banff Centre received \$35 million in funding over 10 years from the Government of Alberta to help support the Institute, and the Centre continues to seek other public and private sector funding

for the Institute to enable its development and ensure access and sustainability.

The Institute aspires to be a global leader in programs and summits on topics of national and international importance. Programming at the Institute will develop current and emerging leaders who are focused on building strong communities, and influencing positive change at a system-wide level.

New programs and partnerships are beginning to take shape, with further progress expected in the 2014-15 fiscal year, and a formal launch is envisioned for 2015.

The Peter Lougheed Leadership Institute is part of the Peter Lougheed Leadership Initiative, a collaboration with the University of Alberta, where there will be an undergraduate Peter Lougheed Leadership College.



Albert George, Indigenous Leadership and Management Strategic Planning Program



Jenny Winhall, Leadership Development Faculty 2013

500

Over 500 conferences hosted annually

CONFERENCES

The Banff Centre hosts 500 conferences a year, serving 20,000 attendees from all around the world. As this area grows, it will be increasingly proactive by inviting conference activity of global significance to the Centre. It is through this pillar that The Banff Centre organizes summits aimed to solve some of the world's biggest problems.

More than just a place to meet, Conferences collaborates with Leadership and Arts, providing added value to meetings so that organizations can achieve greater results and leave participants equipped with the skills to tackle tough challenges. As a growing area for The Banff Centre, Conferences is undergoing a product development initiative that will further engage the creative community of The Banff Centre, differentiate our offering

from other conference providers, and place us at the forefront of thought-leadership in the conferences industry.

In addition to contributing to institutional priorities, Conferences at The Banff Centre provides financial stability that, in turn, makes it possible to support participants in the arts and leadership.



Creative Leadership for Women, Leadership Development 2011



Leadership Development Program Participants in a Workshop

STRATEGIC PLAN:

GOALS, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

The Board of Governors of The Banff Centre engaged in extensive dialogue with both internal and external stakeholders about strategic opportunities and challenges ahead for The Banff Centre to create the current strategic plan. This strategic discourse focused on the development of new initiatives to support The Banff Centre's five outcomes, which have been approved by the Board of Governors and Minister for Innovation and Advanced Education. These institution outcomes will build on The Banff Centre's long history in arts, leadership and conferences and secure a successful future for the institution.

INSTITUTIONAL LEVEL OUTCOMES

- 1 Arts Programming
- 2 Content Creation and Dissemination
- 3 Leadership Development
- 4 Campus Renewal
- 5 Applied Research

OUR PARTNERS AND SELECTED KEY STAKEHOLDERS

MAJOR GRANTING AGENCIES

Alberta Ministry of Innovation and Advanced Education
Department of Canadian Heritage
Rural Alberta Development Fund
Canada Council for the Arts
Alberta Foundation for the Arts
Alberta Innovates

KEY STAKEHOLDERS

Alberta Association of Colleges & Technical Institutes (AACTI)
Parks Canada
Town of Banff
Banff International Research Station (BIRS)
Canadian Institute for Advanced Research (CIFAR)
Canadian Arts Summit
Association of Canadian Institutes of Art & Design (ACIAD)
Social Sciences and Humanities Research Council
University of Alberta
University of Calgary
Indigenous Program Council

SIGNIFICANT SUPPORTERS

(New support received or past support used in the 2013-14 fiscal year from companies or foundations at the \$100,000+ level)

BP Canada Energy Company
CIBC
David Spencer Endowment Encouragement Fund
Enbridge Inc.
Husky Energy Inc.
The Kahanoff Foundation
Nexen Inc.
RBC Royal Bank
Shaw Communications Inc
Sir Jack Lyons Charitable Trust
Suncor Energy Foundation
The Great-West Life Assurance Company



Paul Malcolm, Banff Centre Radio, Photo by Rita Taylor, The Banff Centre 2014

PROGRESS

The Banff Centre's progress in 2013-14 is measured against the Institutional Level Outcomes and the goals established in its 2014-17 Comprehensive Institutional Plan, as approved by The Banff Centre Board of Governors.

In response to the priorities set out by the Government of Alberta, The Banff Centre also reports on Enrollment, Community, and Access.

The Banff Centre is proud to have made significant progress on each of its goals in 2013-14.



Thalia String Quartet, BISQC 2013



Classified, photo by Scott Munn

INSTITUTIONAL LEVEL OUTCOMES

GOAL

To create new, rich development opportunities for artists to collaborate with one another, and to take risks working with different mediums, disciplines and technologies to conceive, produce and present new work.



Ishmael Wadada Leo Smith, Jazz Faculty 2013

1. ARTS PROGRAMMING

PROGRESS

- More than 500 performances at The Banff Centre in locations on and off campus included new commissions, creations, premieres, debut appearances and on-stage interviews.
- The Banff Mountain Film Festival Tour shared content from The Banff Mountain Film and Book Festival with over 390,000 participants in 46 countries around the world.
- The 10th Banff International String Quartet Competition took place August 26 to September 1, 2013. The competition itself was streamed live on CBC.ca and available on Medici.TV. The winners, the Dover String Quartet, have gone on to tour 46 countries, with dozens of concerts booked for the year ahead. The quartet has also received accolades from The Globe and Mail, The Wall Street Journal and more.
- Interdisciplinary projects were undertaken, including:
 - **Nufonia Must Fall:** World-renowned virtuoso DJ and music producer Kid Koala worked with an amazing team of puppeteers and the Afiara Quartet to realize his award-winning graphic novel, *Nufonia Must Fall*, as a theatrical production under the direction of acclaimed production designer KK Barrett (*Her, Where the Wild Things Are, Adaptation, Being John Malkovich*); the performance was cinematically lit, filmed and projected on a cinema screen. This project is scheduled to debut at The Banff Centre in 2014 and tour subsequent stages around the world, beginning with Luminato in Toronto.
 - **Helen Lawrence:** An interactive, multi-disciplinary theatre and film project developed and performed at The Banff Centre with visual artists Stan Douglas and TV screenwriter and producer Chris Haddock. The production went on to premiere at The Arts Club Theatre in Vancouver and then travelled to Canadian Stage in Toronto and the Edinburgh Festival in Scotland.
 - **Piano Destructions:** A visual arts and performance project with artist Andrea Buttner, and her first major exhibition in North America, this project invited the audience to consider relationships between practice and repetition, as well as notions of the virtuosic genius. The exhibition featured recordings of a live performance at the Walter Phillips Gallery by nine female pianists playing in concert alongside documentary footage of piano destruction performances by men in avant-garde art, beginning with early Fluxus pieces.

2. CONTENT CREATION AND DISSEMINATION

GOAL

The work created at The Banff Centre is shared on multiple platforms that include radio, internet TV, online and print publishing, as well as on-site presenting in venues at The Banff Centre and branded stages across the country.



Emma Donovan, Indigenous Arts Guest Faculty and Performer, Diverse As This Land Music Residency 2013

PROGRESS

- In July 2013, Banff Centre Radio received license approval from the CRTC and its team completed the final stages of the program schedule for Radio 101.1 and 103.3 FM.
- *This is War*, written by Hannah Moscovitch, the first of three co-publications between Banff Centre Press & Playwrights Canada Press was released in September 2013. This is War was commissioned by The Banff Centre for the Centre's 75th anniversary in 2008, and later became the first play to be awarded the 2014 Trillium Book Award.
- *Arigato, Tokyo*, written by Daniel MacIvor, the second of three co-publications between Banff Centre Press and Playwrights Canada Press, was released in October 2013. *Arigato, Tokyo* was commissioned by The Banff Centre for the Centre's 75th anniversary in 2008.
- *Rock, Paper, Fire: The Best of Mountain and Wilderness Writing*, edited by Marni Jackson and Tony Whittome, was released in October 2013 at the Banff Mountain Film and Book Festival, and has already entered a second print run.
- Film & Media embarked on multicam content capture across campus. Multicam productions include capture of both arts programming events and summer arts festival events including Indigenous dance, Whitehorse, Mikhail Baryshnikov, Deepa Mehta, Calvin Trillin, and Spike Lee in conversation, the Banff International String Quartet Competition as well as Christopher Plummer in performance.
- Audio capture recording highlights include the Feist/Snowblink concert, Whitehorse in the Shaw Amphitheatre, Measha Brueggergosman and many more.
- The Banff Centre's presence on social networks has grown by 30 per cent (Facebook/Twitter).

3. LEADERSHIP PROGRAMMING

GOAL

To be a global leader in programs and summits on topics of national and international importance that enable emerging and established leaders to build a better world; to enable business and social leaders to innovate across sectors and without borders.



The Painter House – Leighton Artists' Colony

PROGRESS

- Suncor Energy became the first Founding Supporter of the Peter Lougheed Leadership Institute (PLLI) with a total commitment of \$2.5 million, allowing for renewed impact, sustainability and investment going forward. Suncor Energy has also supported the Institute by introducing partnering opportunities with Social Innovation Generation (Waterloo).
- \$35 million was secured from the Government of Alberta to sustain the future of the Peter Lougheed Leadership Institute.
- Additional funds were secured for the Institute, including, but not limited to, commitments from Scotiabank, Chevron, Shell, Nexen, Devon and several anonymous funders.
- In fall of 2013, new partnerships were created with a diverse client group, including Community Foundations of Canada, YMCA, National Youth Serving Organizations, Canadian Public Funders, and multiple regional and national museum and gallery associations from across Canada.
- New models of strategic meeting design, facilitation and team development were piloted with Nexen, Savannah Energy Services Corp, and many other corporate clients. Subsequently, a successful partnered program with Community Foundations of Canada (CFC) was delivered, which led to a commitment from CFC to work with the Centre to build a series of programs/experiences for their leaders and community members. The launch of this will occur in fall of 2014.
- Several new products were piloted in 2013-14, most notably the first full-length leadership residencies – one on innovation and one on communications. They were piloted with external clients and internal staff to help foster a better understanding of the innovation work occurring within the context of PLLI. Two new pilot projects were launched to explore best practices in design thinking in a cross-disciplinary leadership development context.
- Planning is underway for the Centre to host a symposium on Cultures-Based Innovation in 2015 with the Bellagio Mandala Group.

4. CAMPUS RENEWAL

GOAL

To attract local, provincial, national and international audiences to first class facilities, enabling artists, leaders, faculty and staff to create and imagine the next big ideas, transformative innovations, experiment across disciplines and sectors and develop models for community engagement.

PROGRESS

- Discussions took place with key regional and national stakeholders regarding The Banff Centre Campus Renewal.
- A three-year rolling plan for capital and deferred maintenance is in place and will be updated annually.
- Work on multiple new technology projects was advanced during this period, including the Participant and Faculty Information System (PAFIS), Media Asset Management, Student Information System, Box Office ticketing and many others.
- A request for qualifications and a subsequent request for proposals were issued to move forward in securing an architect to support the Campus Renewal.

5. APPLIED RESEARCH

GOAL

To build capacity for applied research at The Banff Centre, increase public access to applied research outcomes and processes through Banff Leadership Summits and multi-media dissemination.

To expand knowledge and opportunities in creative industries through applied research in arts programming, digital media, and arts education and in leadership, Indigenous programming, social enterprise and creative entrepreneurship. To seek and develop meaningful applied research collaborations with other Campus Alberta Stakeholders.

PROGRESS

- Recruited a Nexen Chair in Indigenous Leadership.
- Launched a cross-country listening tour with artists and arts and cultural administrators as part of the design phase of the Creative Industries program, building off of the environmental scan completed by Lord Cultural Resources.
- Partnered with internal staff and external thought leaders to pilot three new initiatives with Banff elementary and high schools as part of the Creative Education area.
- Leadership partnered with the Canadian Institute for Advanced Research (CIFAR) to design and deliver their annual Global Leaders Academy at the Centre.
- Banff International Research Station (BIRS) and CIFAR partnered with The Banff Centre's Midsummer Ball to provide a spotlight talk on the intersection of creativity and science.
- Helen Lawrence, the interactive, multi-disciplinary theatre and film project involving the use of new technologies was developed in part with a research grant from NSERC (Natural Science and Engineering Research Council).



ENROLLMENT, COMMUNITY, ACCESS

GOAL

A subset of The Banff Centre's goal for access is maintaining a standard of enrollment. The Banff Centre is unique in what it is able to provide to artists and leaders; however, this does not shield it from competition with the scholarship programs of other world-class institutions. In order to attract the very best applicants from Alberta, Canada and internationally, the Centre combines high standards of financial aid with targeted marketing efforts.

ENROLLMENT

ENROLLMENT TARGETS

- Application to enrollment ratios of at least 3:1.
- High calibre applicants, drawn from an internationally competitive pool.
- High levels of financial aid.
- Full enrollment in every program.
- Faculty to participant ratios of no more than 1:25.

PROGRESS

Outside of the progress in financial aid already mentioned, the following targets were met:

- Application to enrollment ratio of 3:1.
- Sixty-three per cent Canadian citizens, 20 per cent US citizens, 17 per cent International citizens with largest per cent coming from the United Kingdom/Europe, Australia/New Zealand and South America.
- Financial Aid was provided at 69 per cent.
- Full enrollment in every program.
- Faculty to participant ratio of 1:7.

“

I knew about the theatre residencies here, so when we began to consider the best process to realize this project, we phoned the Centre.

– Kim Collier, *Helen Lawrence*

COMMUNITY

GOAL

To disseminate the work created at The Banff Centre through performances, publications, broadcasts and other means in order to enhance the cultural well-being of Albertans through access to excellent cultural products.



Film & Media

PROGRESS

- Walter Phillips Gallery, in collaboration with the Banff Park Museum National Historic Site, presented Drawn to Nature, a series of monthly drawing sessions held in the museum. Participants of all ages and levels of experience were welcomed into the museum after hours to explore various still-life sketching techniques in an informal drawing session inspired by the rich history of the museum's collection.
- During the Banff International String Quartet Competition (BISQC) in August 2013, the Thalia String Quartet completed the Quartet in the Community: Melba and Orville Rollefson Residency, which took chamber music out of the concert hall and introduced it to new audiences in unexpected locations in downtown Banff and Canmore (such as the Banff Hot Springs, Cave & Basin, Banff Town Hall, Banff Pedestrian Bridge, Central Park Gazebo and Elevation Place).
- New Crits on the Block was a youth-led studio-visit program with Grade 4 classes at Banff Elementary. The program offered a unique and unmediated experience for youth to engage with artists-in-residence at The Banff Centre. The exchange was a unique opportunity for visiting artists to consider how to present their work to a younger audience and raised questions concerning language, discourse, context and power in artistic practices.
- Through the Community Concert Series, the Music department brought together over 5,000 visitors and residents of the Bow Valley, Banff and Canmore for over 100 incredible performances by established, new and developing musicians from Alberta, Canada and around the world.
- *Art in the Library, Books in the Studio* was an artist book collection at The Banff Centre's Paul D. Fleck Library. Art librarian Suzanne Rackover provided an introduction to this hidden collection not typically accessible by the public and provided participants an opportunity to view and handle various innovative examples from the library's extensive collection of artist books, including works by Yoko Ono, Fluxus and Lawrence Weiner. Banff-based printmaker and book artist Wendy Tokaryk led participants in a foundational bookmaking workshop, which enabled participants to leave this session with their own beautiful handmade volume.

ACCESS

GOAL

To move toward providing a tuition-free environment for artists at The Banff Centre, enhance recruitment efforts aimed at Indigenous learners, and increase access to our technology-based programs and research in new media, sound engineering and film and media production.



Thomas Fonua and Jera Wolfe, Indigenous Dance Residency 2013

PROGRESS

- The Banff Centre received a total of \$2.01 million in federal government funding through the Endowment Incentives Matching Program of the Canada Cultural Investment Fund (\$1.76 million) and Canada Arts Presentation Fund (\$250,000 over two years). These funds will go specifically towards supporting the professional development of talented artists and their work, as well as the presentation of extraordinary performances in theatre, opera, dance, music, film and media, and the visual, literary and Indigenous arts.
- Total funds raised in the 2013-14 fiscal year for endowment (received and pledged), which helps, in part, provide access, was \$966,000 (excluding the matching funds referred to above), and total current use expendable funds raised in 2013-14 (received and pledged) was \$8.26 million, which also assists in providing access.
- The Indigenous Leadership and Management program has received total commitments in 2013-14 in excess of \$700,000 to provide access through scholarships for this program year (with some of this funding committed for access for subsequent program years as well).
- The Big Smoke ceremony in December 2013 brought Blackfoot elders to The Banff Centre to bless the campus and support its future strategic directions.
- Programs delivered directly in response to Indigenous artists' needs in 2013-14 include:
 - Diverse as This Land Vocal Intensive Workshop
 - Indigenous Dance Residency
 - Indigenous Emerging Writers Program
 - Indigenous Visual Arts Thematic Residency
 - Funding was secured in 2013 from Creative New Zealand (\$20,000 for two years) and from the Australian Council for the Arts (\$50,000 for five years) to bring Indigenous artists from those countries to our programs in Banff.



Visual Arts Open Studios 2012

FINANCIAL SUSTAINABILITY

Careful stewardship of resources and dedication to delivering exceptional service to program participants and conference guests enabled The Banff Centre to sustain its operations in 2013-14, resulting in an operating surplus of \$537,000 (less than one per cent) at fiscal year-end.

The base operating grant provided by the Alberta Ministry of Innovation and Advanced Education is 32 per cent of the total revenues, with the remainder coming from other sources. Over the past five years, the net revenue contribution from conferences, leadership development and hospitality operations has declined by some 30 per cent; however, we are now seeing recovery. With substantial new funding for leadership programming through the Peter Lougheed Leadership Institute, revenues are expected to continue to rise steadily.

In addition, with the change in economic conditions driving financial markets higher, investment returns on endowment have improved significantly, which is an essential source of funding for our extensive scholarship and student assistance programs. The endowment principal continues its strong growth, reflecting substantial new donations and an 88 per cent matching grant of \$1.8 million from the Canada Cultural

Investment Fund Endowment Incentives Matching Program. Since the start of this program in 2005-06, The Banff Centre has received over \$10 million in endowment matching funds. This program is currently expected to end in 2018, with the maximum available matching funds being \$15 million.

The Banff Centre continues to be fiscally prudent. All non-salary expenditures are scrutinized, discretionary expenses such as travel and training are closely monitored, staffing levels are aligned with anticipated business levels, and salary increases will be adjusted within existing contractual commitments.

FUTURE FORWARD »

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Centre reported an excess of revenue over expense totalling \$537,000 for the year ending March 31, 2014 (2013 – \$1.197 million). Over the year, total revenue increased by \$1.9 million to \$59.8 million and total expenses increased by \$2.6 million to \$59.3 million.

The increase in revenue reflects a higher utilization of provincial grant funding through the Infrastructure Maintenance Program for facilities maintenance expenditures in 2013-14, along with slightly higher earned revenues from programming activities. Although revenues from conference and leadership development activities are stable, they remain substantially below the high mark in 2008, representing the impact that a downturn in the economy has had on the Centre over the past five years. The increase in expenditures primarily reflects higher facility maintenance expenses and utilities, together with the higher cost of salaries, wages and employee benefits.

This MD&A provides an overview of the results The Banff Centre achieved in 2013-14, with a detailed discussion and analysis of:

- 1. Business Planning and Management**
- 2. Financial/Budget Information**
- 3. Areas of Financial Risk**
- 4. Progress in Capital Projects**

1. BUSINESS PLANNING AND MANAGEMENT

The Centre's three-year Consolidated Institutional Plan provides the fiscal framework to enable the Centre to achieve its strategic goals and objectives. Performance measures identified in the plan monitor and communicate progress to the Centre's provincial, national and international stakeholders.

The Centre establishes balanced operating and capital budgets each year. Both budgets are monitored by management on a monthly basis and any variations from the plan are adjusted quarterly to ensure the required year-end results are achieved.

All proposed project and strategic investment initiatives are subject to a due diligence review that requires the development of an appropriate business case.



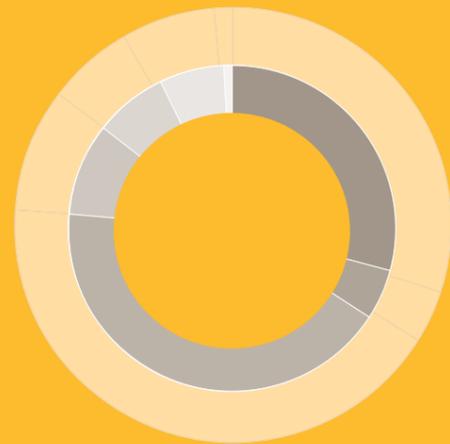
DREAM
BIG AND
MAKE
MAGIC
HAPPEN.

REVENUE

Total revenue increased in 2013-14 to \$59.9 million from the \$57.9 million level achieved in the previous year. The following table shows the composition of the Centre's total revenue for the year ending March 31, 2014, with comparative information for 2012-13.

In 2013-14, the base operating grant provided by the Alberta Ministry of Innovation and Advanced Education was \$16.4 million and the base programming grant from the Government of Canada was \$1.95 million, unchanged from the prior year. Additional restricted grant funding was utilized in 2013-14 for facilities maintenance, and earned revenues from rentals and services reflected a higher volume of business in the programming areas. Tuition and fee revenues decreased in Arts Programming and Leadership Development, resulting primarily from a restructuring of program offerings in both of those areas. Tuition from Arts Programming participants is largely offset by corresponding levels of expense for financial assistance.

Consolidated Revenues	(in thousands of dollars)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Government of Alberta grants	\$17,978	\$ 16,912
Federal and other government grants	2,384	2,904
Sales, rentals and services	25,166	24,389
Donations and other grants	5,553	5,416
Tuition and related fees	3,763	4,173
Amortization of deferred expended capital contributions	4,149	3,690
Investment income	817	370
Total Revenue	\$ 59,810	\$ 57,854

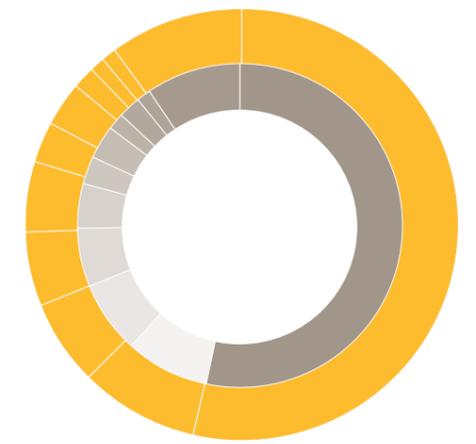


EXPENSE »

Total expense increased in 2013-14 to \$59.3 million from \$56.7 million in 2012-13. The following table shows the composition of the Centre's total expense for the year ending March 31, 2014, with comparative information for 2012-13.

Salary and benefit costs reflect compensation increases for staff and the higher costs of employee benefits. Utilities expenses increased as a result of higher prices with stable usage, facilities expenditures reflect an increase in maintenance expenses, marketing expenses decreased due to a drop in special projects, while other expenditures remained stable, except where driven by the volume of business or supported by special purpose funding sources.

Consolidated Expenses	(in thousands of dollars)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries, wages and benefits	\$ 31,928	30,231
Purchased services	5,128	4,849
Material, goods and supplies	3,872	3,971
Scholarships and financial assistance	3,289	3,415
Facility operations and maintenance	3,127	2,494
Utilities	1,787	1,500
Travel, training and related costs	1,926	1,871
Rentals and equipment	1,097	990
Marketing and recruitment	625	1,243
Financial costs	638	857
Gain on disposal of capital assets	(8)	(1)
Amortization of capital assets	5,864	5,237
Consolidated Expenses	\$ 59,273	\$ 56,657



BUDGET TO ACTUAL

A balanced operating budget of \$60 million for the fiscal year 2013-14 was approved by the Board of Governors. Revenues and expenses were less than budget by \$161,000 and \$698,000, respectively, resulting in an excess of revenue over expenses of \$537,000 (less than one per cent).

Revenue and expenses were consistent with budget levels, except for a higher utilization of external funding for facilities maintenance, savings from vacancies in staff positions, and reduced expenditures associated with the restructuring of programming activity.

FINANCIAL POSITION

Net assets

The Centre's net asset balance at March 31, 2014 totalled \$51.7 million, an increase of \$8.2 million for the fiscal year. The net asset balance is reported in two major categories:

Accumulated surplus

Accumulated surplus increased by \$537,000 to \$13.4 million from \$12.9 million in 2012-13. Included in accumulated surplus is \$21.9 million (2012-13 \$22.6 million), representing the Centre's investment in capital assets.

The balance of accumulated surplus totalled negative \$8.5 million at March 31, 2014. This represents the Centre's estimated share of the Universities Academic Pension Plan unfunded liability of negative \$3.5 million and negative \$5.0 million of currently unfunded capital costs from phase one of the Centre's campus redevelopment project.

Endowment

Net assets restricted for endowment purposes increased by \$7.7 million to \$38.3 million from \$30.6 million in 2012-13 (the 2012-13 balance was restated from \$29.4 million to recognize endowment matching grants in the year the grants were awarded). The increase in endowment net assets is the result of investment income of \$0.8 million, net capital gains of \$4.8 million, new contributions of \$3.0 million and a distribution of earnings for spending of (\$0.9) million.

3. AREAS OF FINANCIAL RISK

Unfunded pension liability

The Centre participates with other employers in the Universities Academic Pension Plan (UAPP). The UAPP is a multi-employer defined benefit pension plan that provides pensions for management and professional staff members.

As of March 31, 2014, the estimated funding deficiency of the plan as a whole is \$1.057 billion. The Centre's portion of the liability remains at \$3.5 million. Based on an extrapolation of the latest actuarial valuation, it is estimated that there will not be a significant change in the funding deficiency for 2014-15.

Infrastructure Maintenance Program funding and deferred maintenance

The Centre has identified deferred maintenance as a top priority and is addressing this priority annually through a combination of judicious allocation of Infrastructure Maintenance Program grants from the Government of Alberta and internal resource reallocation whenever possible. Wherever possible, the Centre addresses deferred maintenance as part of other capital projects within the existing building inventory.

Technology

The Centre's renewed strategic direction requires significant and ongoing investments in new and emerging technologies. The Centre has been successful in attracting some one-time funding from external sources; however, significant additional resources will be required to fully support this initiative.

Economy

Global economic conditions have adversely impacted the Centre over the past five years. The Centre has experienced significant revenue erosion, which, in turn, impacts the level of funding available to support programming. In particular, there have been reductions in conference business and leadership development revenue. For both of these areas, revenues are showing signs of improvement and are expected to gain some forward momentum as general economic conditions improve and additional funding is secured for leadership programs.

Investments and endowments

With the addition of new endowment gifts and matching funds available from provincial and federal programs, the Centre's endowment fund continues to experience significant growth. In the past two years, the endowment investments generated substantial capital gains of \$6.5 million as global equity markets rebounded. General market conditions are expected to remain unsettled in response to global economic concerns.

Provincial funding and tuition fees

The Centre's Comprehensive Institutional Plan includes a zero per cent increase in the provincial base operating and deferred maintenance grants for the next two fiscal years. The Government of Alberta Tuition Fee Policy establishes the maximum amount by which tuition can be increased each year. The Centre will continue to review and refine its business model to reflect the funding realities without unduly impacting the quantity and quality of programming.

Capacity utilization

The Centre supported a slightly higher number of full-time learning equivalents (FLEs) in 2013-14 than the previous year, but expects to maintain a level of approximately 500 FLEs in the short term. In the longer term, as Conference and Leadership Development revenues recover, program enrollments will be increased to the extent that the capacity of the Centre's facilities permits.

Salaries and benefits

After two years of salary freezes, management and professional staff received a salary increase of two per cent in April 2013 together with inflation adjustments in pay ranges. The current Collective Agreement with the Canadian Union of Public Employees, which represents approximately 70 per cent of the Centre's staff, covers the calendar years 2012-14 and provided for base pay increments in 2014. Higher costs for employee benefits are expected, in particular for both management and support staff pensions.

4. PROGRESS OF CAPITAL PROJECTS

Capital planning at the Centre is guided by the Campus Master Plan and a five-year capital plan, which is updated annually.

The Centre engaged an architectural consultant to assist in developing a preliminary concept for Phase II of Campus Redevelopment.

The Centre will continue to work with the Alberta Ministry of Innovation and Advanced Education and Alberta Infrastructure to support the Centre's needs for additional funding to finance the next phase of campus redevelopment.

FAST FACTS

The Banff Centre is the largest arts and creativity incubator in the world. Founded in 1933, our mission is inspiring creativity. Through multidisciplinary programming, The Banff Centre provides artists, leaders and researchers with the support they need to think dynamically, create new work, develop solutions and make the impossible possible.

We present over **400** events and programs on-site with **80,000+** audience members each year.

“During my time at the Banff Centre I have had many A-ha! Moments, where things I have been working towards for years have come together in a beautifully succinct way.”

– Carmel Seymour, Winterjourney Visual Arts Thematic Residency

What We Do

We host over

500

conferences with over

20,000

participants.

The Banff Mountain Film Festival World Tour shows in

46

countries and attracts over

390,000

participants.

To date, over

400

Indigenous Leaders from

99

communities have participated in leadership programs.

What They Do

90%

of alumni work professionally in their fields.

81%

secured a position, role or exhibition within a year of taking a Banff Centre program.

78%

earn their living from artistic practice, and serve as mentors and teachers within their communities

Works & exhibitions created at The Banff Centre are seen at galleries and on stages around the world.

Our Programs

Our Participants



Dance
Film & Media
Indigenous Arts
Leighton Artists' Colony
Literary Arts
Music
Opera
Theatre
Visual & Digital Arts
Interdisciplinary programs
Peter Lougheed Leadership Institute



3,000 artists
2,400 researchers
1,700 leaders



7 out of 10 arts participants are Canadian

Share Locally

Share Globally



Walter Phillips Gallery
Conferences & Leadership
Venues for up to 1,000
7 venues (Theatres, Shaw outdoor Amphitheatre, Club and Halls) with over 3,500 seats
Banff Centre Radio (101.1 FM & 103.3 FM) banffcentre.ca/radio
Banff LIVE live.banffcentre.ca
Banff Centre Press Digital & Print

Our artists come from all around the world

Argentina | Australia | China | France | Germany | Israel | Mexico | Netherlands | New Zealand | Norway | South Korea | Spain | Switzerland | Turkey | United Kingdom | United States

2013-14 DONORS AND SUPPORTERS

Through their generosity and investment, donors, sponsors and other supporters of The Banff Centre enrich many aspects of The Banff Centre experience. Their contributions support talented artists and leaders who will continue to inspire others and make an impact in their communities and beyond. In addition to the names listed below, The Banff Centre expresses appreciation to the many other donors, sponsors, supporters and volunteers whose contributions to the achievement of the Centre's goals has been invaluable.



do
good(er)

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In recognition of donors and supporters who have contributed \$100,000 or more to The Banff Centre (amounts represent actual funds received cumulatively as of March 31, 2014 and do not include pledge amounts committed that are receivable in future fiscal years).

\$10 MILLION +

The Kahanoff Foundation †
James S. Kinnear and Friends

\$1 MILLION – \$4,999,999

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Enbridge Inc.
Husky Energy Inc.
Nexen Energy ULC
RBC Royal Bank
Shaw Communications Inc.

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The Jarislowsky Foundation
Max Bell Foundation
Suncor Energy Foundation
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Estate of Dorothy Jean Harvie
Glen and Ann Sather and Family

ORGANIZATIONS/ ASSOCIATIONS

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\$500,000 – \$999,999

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CIBC
Encana Corporation
Great-West Life, London Life and Canada Life
Imperial Oil
Maclab Enterprises
Power Corporation of Canada
Rogers Communications
Shell Canada Limited
Talisman Energy Inc.
TD Bank Group
TELUS
TransAlta Corporation
TransCanada Corporation

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Encouragement Fund

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Margaret and David Fountain
Barbara C. Poole* and John Poole, OC* and Family

Alison Rice*
Vladimir and Yachiyo Wolodarsky

\$250,000 – \$499,999

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CMH Heli-Skiing and Summer Adventures
Coca-Cola Refreshments Canada Company
ConocoPhillips Canada
Eagle Creek
The Globe and Mail
Gulf Canada Resources Limited
Lafarge
Nabisco Brands Ltd.
New Balance
Nortel Networks Corporation †
The North Face
Outdoor Research
Patagonia
PENGROWTH Energy Corporation
Petzl
Scotiabank
Sun Life Financial Canada

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Carolyn Sifton Foundation
Eldon and Anne Foote Fund at Edmonton Community Foundation
The Nat Christie Foundation

INDIVIDUALS

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Sheila and Peter Bentley
Andrea Brussa
Cyril and Elizabeth Challice
Jackie Flanagan
Susan Glass and Arni Thorsteinson
Joan and Marshall Williams
Estate of Evelyn Wood
Anonymous (1)

\$100,000 – \$249,999

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Anadarko Petroleum Corporation †
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B&E Electronics Ltd.
Banff Airporter Inc.
Bird Construction Company Limited
Blake, Cassels and Graydon LLP
Brewster Transportation Company
Calgary Herald
Canada House Gallery
Canadian Natural Resources Limited
Canadian North
Canadian Pacific Limited
Canadian Utilities Limited, an ATCO Company
CanWest Global Communications Corp.
Cavendish Investing Ltd.
Corus Entertainment Inc.
Dentons-Canada
Devon Canada Corporation
Diana Paul Galleries
EPCOR
Genstar Development Company
House of Persian Rugs

Investors Group
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James Richardson and Sons Limited
KERN Partners Ltd.
Lehigh Hanson Materials Limited
Luscar Ltd.
Masters Gallery
Molson Coors Canada
Mountain Galleries at the Fairmont - Banff Springs Fine Art
National Bank
NBC Universal
NOVA Chemicals Ltd.
PCL Construction Group Inc.
PENGROWTH Management Ltd.
Petro-Canada
Rolex Canada Ltd.
Rozsa Petroleum Ltd.
Sidley Austin LLP
Spectra Energy
St. Joseph Communications
Teck Resources Limited
Trimac Transportation Services
Weyerhaeuser
Xerox Canada Ltd.
Yamaha Canada Music Ltd.
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The Alvin and Mona Libin Foundation
Appel Family Foundation
The Cadmus Fund at The Calgary Foundation
The Clifford E. Lee Foundation
Nickle Family Foundation
R. Howard Webster Foundation
Sir Jack Lyons Charitable Trust
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INDIVIDUALS

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Children of Sheila and Peter Bentley
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Jim and Sandra Pitblado
Bryan Price
Gordon and Robyn Ritchie
Evalina Schmidtke
Toshimi and William Sembo
Carolyn and David Tavender, QC
Jeff and Kim van Steenberg
Adam and Jan Waterous
Catherine Whyte*
Leonora Woods* in memory of Lt.-Col. J.H. Woods
Anonymous (1)

ORGANIZATIONS / ASSOCIATIONS

Alpine Club of Canada
Calgary Philharmonic Players Association
Siksika First Nation
Development Fund

UNDISCLOSED AMOUNT

Alice Schultz
Betty Schultz

2013-14 DONORS AND SUPPORTERS

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FOUNDATIONS

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\$100,000 – \$249,999

CORPORATIONS
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CIBC
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The Globe and Mail
Great-West Life, London Life and Canada Life
The North Face
RBC Royal Bank
Shaw Communications Inc.

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Encouragement Fund
Sir Jack Lyons Charitable Trust

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Edwards Family
Jamie and Brenda Mackie
Evalina Schmidtke

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Cushe Footwear
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Nexen Energy ULC
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TD Bank Group

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ORGANIZATIONS / ASSOCIATIONS

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\$30,000 – \$49,999

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Jens Lindemann
Lockwood Family
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In honour of R.S. Williams and Sons Company
Vladimir and Yachiyo Wolodarsky

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UNDISCLOSED AMOUNT

Alice Schultz
Betty Schultz

* Deceased

† Inactive

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Alberta Lotteries Fund Community
Facilities Enhancement Program
Alberta Innovation and Advanced
Education
Advanced Education Capital
Alberta Heritage Scholarship Fund
Alberta Innovates Bio Solutions
Alberta Innovates Health
Solutions
Alberta Innovates
Technology Futures

GOVERNMENT OF CANADA

Canadian Heritage
Canada Arts Presentation Fund
Canada Arts Training Fund
Canada Council for the Arts
Canada Cultural Investment Fund:
Endowment Incentives
Canada Cultural Spaces Fund
Celebrate Canada Program
Infrastructure, Communities and
Intergovernmental Affairs
Building Canada Plan
Natural Sciences and Engineering
Research Council of Canada

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014



Independent Auditor's Report

To The Board of Governors of
The Banff Centre

We have audited the accompanying consolidated financial statements of The Banff Centre, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statement of operations and changes in net assets, the consolidated statement of remeasurement gains and losses, and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Banff Centre as at March 31, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants
May 30, 2014

THE BANFF CENTRE

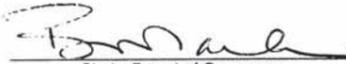
Consolidated Statement of Financial Position

As at March 31, 2014
(in thousands of dollars)

	March 31, 2014	March 31, 2013 (restated - note 3)
Assets		
Current assets		
Cash and cash equivalents	\$ 3,757	\$ 4,610
Short-term investments (note 4)	-	500
Accounts and grants receivable (note 6)	5,445	5,782
Inventories and prepaid expenses	657	691
	<u>9,859</u>	<u>11,583</u>
Notes receivable and deferred charge (note 7)	675	674
Endowment and other long-term investments (note 4)	38,084	30,541
Capital assets (note 8)	140,971	144,905
	<u>\$ 189,589</u>	<u>\$ 187,703</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,881	\$ 4,472
Unearned revenue and deposits (note 9)	1,615	2,011
Deferred contributions (note 10)	4,341	4,791
Current portion of long-term debt (note 12)	389	1,169
	<u>10,226</u>	<u>12,443</u>
Long-term debt (note 12)	445	37
Employee future benefit liabilities (note 13)	3,526	3,601
Long-term deferred contributions (notes 3 and 10)	5,428	6,961
Deferred expended capital contributions (note 11)	118,230	121,107
	<u>137,855</u>	<u>144,149</u>
Net Assets		
Accumulated surplus (note 14)	13,417	12,880
Accumulated remeasurement gains	52	88
Endowments (notes 3 and 15)	38,265	30,586
	<u>51,734</u>	<u>43,554</u>
	<u>\$ 189,589</u>	<u>\$ 187,703</u>

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

Signed on behalf of The Banff Centre Board of Governors:


Chair, Board of Governors


President, The Banff Centre

THE BANFF CENTRE

Consolidated Statement of Operations and Changes in Net Assets

For the year ended March 31, 2014

(in thousands of dollars)

	Budget 2014 (note 18)	2014	2013 (restated - note 3)
Revenue			
Government of Alberta grants (note 16)	\$ 17,563	\$ 17,978	\$ 16,912
Federal and other government grants (note 16)	2,380	2,384	2,904
Sales, rentals and services	24,899	25,166	24,389
Tuition and related fees	4,958	3,763	4,173
Donations and other grants	5,369	5,553	5,416
Investment income	733	817	370
Amortization of deferred expended capital contributions (note 11)	4,069	4,149	3,690
	<u>59,971</u>	<u>59,810</u>	<u>57,854</u>
Expense			
Arts programming	19,164	19,263	19,204
Leadership programs	2,919	2,352	2,745
Institutional support	11,059	10,470	10,228
Facilities operations and related costs	12,256	12,574	10,808
Ancillary operations	14,573	14,614	13,672
	<u>59,971</u>	<u>59,273</u>	<u>56,657</u>
Excess of revenue over expense	-	537	1,197
Transfer of internal funds to endowment	-		(1,000)
Change in accumulated surplus	-	537	197
Net assets, beginning of year		43,554	37,772
Change in remeasurement gains		(36)	88
Endowment contributions and other transfers		2,950	3,315
Endowment investment income retained in the fund		(88)	416
Endowment net capital gains		4,817	1,766
Net assets, end of year	\$ -	\$ 51,734	\$ 43,554

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

THE BANFF CENTRE

Consolidated Statement of Cash Flows

For the year ended March 31, 2014

(in thousands of dollars)

	2014	2013 (restated - note 3)
Operating Transactions		
Excess of revenue over expense	\$ 537	\$ 1,197
Non-cash items:		
Amortization of capital assets	5,864	5,237
Expended capital contributions recognized as revenue	(4,149)	(3,690)
Change in employee future benefit liabilities	69	59
Other non-cash adjustments	27	26
Change in:		
Accounts and grants receivable	884	(64)
Inventories and prepaid expenses	9	272
Accounts payable and accrued liabilities	523	(216)
Unearned revenue and deferred contributions	(2,684)	2,719
Cash provided by operating transactions	<u>1,080</u>	<u>5,540</u>
Capital Transactions		
Acquisition of capital assets	(3,102)	(4,794)
Cash applied to capital transactions	<u>(3,102)</u>	<u>(4,794)</u>
Investing Transactions		
Purchases of investments, net of sales	(5,831)	(4,727)
Endowment investment return, net of distributions	3,481	490
Cash applied to investing transactions	<u>(2,350)</u>	<u>(4,237)</u>
Financing Transactions		
Long-term debt principal repayments	(459)	(306)
Long-term deferred contributions, capital	1,576	4,760
Endowment contributions and transfers	2,402	2,737
Cash provided by financing transactions	<u>3,519</u>	<u>7,191</u>
(Decrease) increase in cash and cash equivalents	<u>(853)</u>	<u>3,700</u>
Cash and cash equivalents, beginning of year	4,610	910
Cash and cash equivalents, end of year	<u>\$ 3,757</u>	<u>\$ 4,610</u>

Cash and cash equivalents, end of year, is comprised of:

Cash on hand and demand deposits	\$ 376	\$ 521
Money market funds and guaranteed investment certificates	3,381	4,089
	<u>\$ 3,757</u>	<u>\$ 4,610</u>

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

THE BANFF CENTRE

Consolidated Statement of Remeasurement Gains and Losses

For the year ended March 31, 2014

(in thousands of dollars)

	2014	2013
Accumulated remeasurement gains, beginning of year	\$ 88	\$ -
Unrealized gains attributable to:		
Investments	60	88
Realized gain on investments, reclassified to operations	(96)	-
Accumulated remeasurement gains, end of year	<u>\$ 52</u>	<u>\$ 88</u>

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

THE BANFF CENTRE

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(tabular amounts in thousands of dollars)

Note 1 Authority and Purpose

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

The Centre provides public access to a broad range of learning and professional development experiences with emphasis on the arts, leadership development, and the exploration of issues related to mountain culture and the environment.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

Consolidated financial statements

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

Public sector accounting standards ("PSAS") and use of estimates

These financial statements have been prepared in accordance with 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. The Centre's management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets, revenue recognition for expended capital, potential impairment of capital assets, accrued liabilities, and the provision for bad debts 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. These significant accounting policies are presented to assist the reader in evaluating the financial statements, and together with the following notes, should be considered an integral part of the financial statements.

Valuation of financial assets and liabilities

The Centre's financial assets and liabilities are generally measured as follows:

Cash, cash equivalents, and similar fixed income instruments	Amortized cost
Investments	Fair value
Accounts, grants and notes receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Unrealized gains and losses from changes in the fair value of unrestricted financial instruments 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 statement of operations.

Unrealized gains and losses from changes in the fair value of restricted financial instruments are recognized as deferred revenue or as endowment net assets.

Interest and dividends attributable to financial instruments are reported in the statement of operations, except for the restricted portions which are recognized as deferred revenue or as endowment net assets.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Valuation of financial assets and liabilities (continued)

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. The write-down of a portfolio investment to reflect a loss in value 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. The purchases and sales of cash, cash equivalents and investments are accounted for using trade-date accounting.

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 the Centre's normal purchase, sale or usage requirements are not recognized as financial assets or liabilities. The Centre does not have any embedded derivatives.

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 short maturity of less than three months from the date of acquisition.

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.

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, as well as interest costs that are directly attributable to the acquisition or construction of the assets. 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. Capital lease obligations are recorded at the present value of the minimum lease payments excluding any lease operating costs. Contributed capital assets are recorded at their fair market value when a fair value can be reasonably determined. Works of art, historical treasures and collections are expensed when acquired and not recognized as capital assets.

Capital assets are written down when conditions indicate that they no longer contribute to the 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. The net write-downs are accounted for as expenses in the statement of operations.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Revenue recognition

All revenues are reported using the accrual basis of accounting. Accordingly, amounts received for tuition, fees, and sales of goods and services are classified as unearned and recognized as revenue at the time the goods are delivered or the services are provided. Investment income is recognized as revenue when earned.

The 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 may be unrestricted or restricted for operating, endowment or capital purposes.

Unrestricted contributions are recorded as revenue in the year received or in the year the funds are committed to the 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.

Any externally restricted contributions containing stipulations that the amounts and related earnings be retained as net assets or that the contributions not be expended are recorded as direct increases in net assets. Such stipulations would include contributions made for endowment purposes or to acquire non-amortizable property. Realized and unrealized gains and losses and investment earnings attributable to these funds that must be maintained in perpetuity are also recognized as a direct increase in endowment net assets.

Externally restricted capital contributions are recorded as deferred contributions until the amounts are invested in capital assets. External funds invested in capital assets are then 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 amortization expense and capital contributions revenue are matched to indicate that the amortization expense has been funded externally.

Investment income includes dividend and interest income and realized gains or losses on the sale of investments. Unrealized gains and losses on investments that are not from restricted transfers, donations or grants are recognized in the statement of remeasurement gains and losses until the related investments are sold. Once realized, these gains and losses are recognized in the statement of operations.

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

Scholarships and financial assistance

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

THE BANFF CENTRE

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(tabular amounts in thousands of dollars)

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Foreign currency translation

Financial assets and liabilities recorded in foreign currencies are translated into Canadian dollars at the year-end exchange rate. Revenues and expenses are translated when recorded during the year using the prior month-end exchange rates. In the period of settlement, realized gains and losses from these translations are included in investment income. Unrealized gains and losses are recognized in the statement of remeasurement gains and losses.

Employee future benefits

The 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 their respective percentage of employer contributions to the plan. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life of active plan members.

The 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 provide the plan's future benefits.

Note 3 Restatement of Prior Year Amounts

In prior years, the Centre accounted for receivables of government matching grants restricted for the endowment as deferred contributions until payment was received, at which time the amount was added to endowment net assets. To better reflect the ultimate disposition of the funds and the related endowment net asset balances, these matching grants will be treated as additions to endowment net assets when the grants are received or receivable.

These changes have been applied retroactively with restatement of comparative amounts. The impacts on the prior year's financial statements as a result of this restatement are as follows:

	2013		
	As previously recorded	Increase (Decrease)	As restated
Statement of Financial Position			
Long-term deferred contributions	\$ 8,176	\$ (1,215)	\$ 6,961
Endowment net assets	\$ 29,371	\$ 1,215	\$ 30,586
Statement of Operations and Changes in Net Assets			
Net assets, beginning of year	\$ 36,135	\$ 1,637	\$ 37,772
Endowment contributions and other transfers	\$ 3,737	\$ (422)	\$ 3,315
Net assets, end of year	\$ 42,339	\$ 1,215	\$ 43,554
Statement of Cash Flows			
Change in accounts and grants receivable	\$ 358	\$ (422)	\$ (64)
Long-term deferred contributions	\$ 4,338	\$ 422	\$ 4,760

THE BANFF CENTRE

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(tabular amounts in thousands of dollars)

Note 4 Short-Term Investments, and Endowment and Other Long-Term Investments

Short-term investments

Short-term operating investments are carried at amortized cost and include Canadian and U.S. dollar money market funds, treasury bill funds and guaranteed investment certificates

	2014	2013
	\$ -	\$ 500

Endowment and other long-term investments

Other operating investments at amortized cost:

Guaranteed investment certificates

\$ 1,500	\$ 1,000
----------	----------

Other operating investments at fair value

82	170
<u>1,582</u>	<u>1,170</u>

Endowment

Items at amortized cost:

Cash and cash equivalents

471	2,540
-----	-------

Items at fair value:

Government bonds

916	3,387
-----	-------

Corporate bonds

1,639	6,465
-------	-------

Equities and pooled funds

34,069	17,236
--------	--------

<u>37,095</u>	<u>29,628</u>
---------------	---------------

Endowment earnings payable to the Centre

(593)	(257)
-------	-------

<u>36,502</u>	<u>29,371</u>
---------------	---------------

<u>\$ 38,084</u>	<u>\$ 30,541</u>
------------------	------------------

Equity investments are considered Level 1 items and are measured based on quoted prices in active markets for identical assets.

The remaining investments carried at fair value are Level 2 items and are measured based on market inputs, other than quoted prices included in Level 1, that are observable for the asset or liability either directly as prices or indirectly derived from prices.

Note 5 Financial Risk Management

The 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. To manage these risks, the 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 the Centre's investment policies is to achieve a long-term real rate of return in excess of fees and expenses and to maintain the real value of the funds. The Board of Directors of The Banff Centre Foundation has the delegated authority for oversight of the Centre's investments.

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

THE BANFF CENTRE

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(tabular amounts in thousands of dollars)

Note 5 Financial Risk Management (continued)

The Centre is exposed to the following risks:

Market risk

Market 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 security, its issuer or general market factors affecting all investments. To manage this risk, the Centre has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement.

Certain investment portfolios include only pooled fund holdings in which the Centre has an equity interest represented by units of the pooled fund and any distributions from the funds. The pooled fund investments consist of several other pooled fund holdings of cash and cash equivalents, Canadian bonds, and Canadian, U.S. and international equities. At March 31, 2014, the impacts of changes in the rates of return on these investment portfolios are as follows:

- a 7.74% change in pooled fund investments would result in a \$2,000,000 increase or decrease

At March 31, 2014, the impacts of changes in the rates of return on the investment portfolio of segregated asset holdings are as follows:

- a 1.25% change in short-term cash equivalents would result in a \$5,750 increase or decrease
- a 2.98% change in fixed income securities would result in a \$75,000 increase or decrease
- a 7.75% change in common stocks and equivalents would result in a \$400,000 increase or decrease

Foreign currency risk

Foreign currency risk on investments is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The significant holdings denominated in foreign currencies are in U.S. dollars, with smaller amounts in other foreign currencies that are not significant to the portfolio as a whole.

The impacts of changes in the value of U.S. dollar foreign currencies are as follows:

	Fair Value	5% decrease	1% decrease	1% increase	5% increase
U.S. dollar investments	\$3,775,082	\$3,586,418	\$3,737,425	\$3,812,928	\$3,963,935

Interest rate risk

Interest rate risk is the risk to the Centre's earnings that arises from the fluctuation and degree of volatility in those rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income instruments held by the Centre. Interest rate risk on the Centre's debt is managed through fixed-rate loan agreements, budget contingencies to absorb rate fluctuations, and debt prepayment provisions to provide for a reduction of outstanding amounts prior to the renewal dates of term loans. Bonds are affected indirectly as they are subject to fluctuations in market values.

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

	< 1 year	1-5 years	> 5 years	average market yield
	%	%	%	%
Money market funds	100.0	-	-	0.74
Guaranteed investment certificates	85.7	14.3	-	1.73
Canadian government and corporate bonds	3.1	33.6	63.3	3.49

THE BANFF CENTRE

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(tabular amounts in thousands of dollars)

Note 5 Financial Risk Management (continued)

Credit risk

The 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, the Centre has established an investment policy with required minimum credit quality standards and issuer limits.

The Centre's accounts receivable are subject to normal credit risks due to the nature of the 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.

The credit risks on investments held by the Centre are as follows:

	2014	2013
	%	%
A or higher	90.8	87.5
BBB	9.2	12.5

Liquidity risk

The Centre maintains a short-term line of credit to ensure that funds are available to meet current and forecasted financial requirements. At March 31, for the years presented in these financial statements, no amounts were outstanding under these credit facilities.

Note 6 Accounts and Grants Receivable

	2014	2013
Trade accounts receivable, net of allowance for doubtful accounts	\$ 2,557	\$ 2,133
Grants, participant and other receivables	2,888	3,649
	<u>\$ 5,445</u>	<u>\$ 5,782</u>

Accounts receivable are unsecured and non-interest bearing. No significant amounts are past due more than 90 days at March 31 of these years.

Note 7 Notes Receivable and Deferred Charge

In prior years, the Centre advanced a total of \$672,800 to Rocky Mountain Cooperative Housing Association for the right to lease 42 accommodation units. In December 2005, the terms of the notes were modified to discontinue the accrual of interest (interest accrued to that date was \$26,037). The notes are unsecured and repayable in 2019. Commitments under these operating leases are included in Note 12 - Long-Term Debt and Commitments.

The notes receivable are discounted to a present value of \$517,191 (2013 - \$494,069). The discount is amortized using the effective interest method. The deferred charge of \$131,335 (2013 - \$154,176) is amortized over the lease period.

THE BANFF CENTRE
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 8 Capital Assets

	2014				
	Land Improvements	Buildings and Improvements	Equipment, Furnishings and Software	Property Under Development	Total
Cost					
Beginning of year	\$ 2,722	\$ 167,252	\$ 34,091	\$ 195	\$ 204,260
Additions	-	749	1,117	64	1,930
Disposals and other adjustments	80	(80)	(167)	-	(167)
	<u>2,802</u>	<u>167,921</u>	<u>35,041</u>	<u>259</u>	<u>206,023</u>
Accumulated Amortization					
Beginning of year	2,497	38,959	17,899	-	59,355
Amortization expense	45	3,335	2,484	-	5,864
Disposals and other adjustments	-	-	(167)	-	(167)
	<u>2,542</u>	<u>42,294</u>	<u>20,216</u>	<u>-</u>	<u>65,052</u>
Net book value - March 31, 2014	<u>\$ 260</u>	<u>\$ 125,627</u>	<u>\$ 14,825</u>	<u>\$ 259</u>	<u>\$ 140,971</u>

	2013				
	Land Improvements	Buildings and Improvements	Equipment, Furnishings and Software	Property Under Development	Total
Cost					
Beginning of year	\$ 2,722	\$ 165,854	\$ 28,110	\$ 3,343	\$ 200,029
Additions	-	1,398	6,647	(3,148)	4,897
Disposals and other adjustments	-	-	(666)	-	(666)
	<u>2,722</u>	<u>167,252</u>	<u>34,091</u>	<u>195</u>	<u>204,260</u>
Accumulated Amortization					
Beginning of year	2,455	35,650	16,679	-	54,784
Amortization expense	42	3,309	1,886	-	5,237
Disposals and other adjustments	-	-	(666)	-	(666)
	<u>2,497</u>	<u>38,959</u>	<u>17,899</u>	<u>-</u>	<u>59,355</u>
Net book value - March 31, 2013	<u>\$ 225</u>	<u>\$ 128,293</u>	<u>\$ 16,192</u>	<u>\$ 195</u>	<u>\$ 144,905</u>

Land is leased from the Government of Canada. The current lease expires on July 31, 2043 and is renewable.

Equipment, furnishings and software includes vehicles, furniture, fixtures, computer hardware, software, and other equipment. Included in equipment at March 31, 2014 is the net book value of approximately \$267,000 related to assets under capital leases (2013- \$201,000).

The Centre holds permanent collections of both library materials and artwork. Due to the subjective nature of these assets, they are not included in capital assets. The cost of assets expensed in 2014 is \$30,362. As of March 31, 2014 the cumulative historical cost of these assets which have not been capitalized is \$1,531,000.

No interest was capitalized by the Centre in 2014.

THE BANFF CENTRE
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 9 Unearned Revenue and Deposits

	2014	2013
Deposits for accommodations	\$ 945	\$ 1,261
Other sales and services	670	750
	<u>\$ 1,615</u>	<u>\$ 2,011</u>

Note 10 Deferred Contributions

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

	2014		2013 (restated - note 3)	
	Operating	Capital	Total	Total
Balance, beginning of year	\$ 9,417	\$ 2,335	\$ 11,752	\$ 9,054
Grants and contributions received or receivable:				
Operating	1,058	-	1,058	4,956
Capital	-	1,565	1,565	4,760
Distributed endowment earnings	910	12	922	248
Recognized as operating revenue:				
Grants and contributions	(2,580)	(1,031)	(3,611)	(3,002)
Endowment earnings utilized	(645)	-	(645)	(156)
Transfers to fund capital acquisitions	-	(1,272)	(1,272)	(4,108)
Balance, end of year	<u>8,160</u>	<u>1,609</u>	<u>9,769</u>	<u>11,752</u>
Current portion of deferred contributions	<u>(4,341)</u>	<u>-</u>	<u>(4,341)</u>	<u>(4,791)</u>
Long-term deferred contributions	<u>\$ 3,819</u>	<u>\$ 1,609</u>	<u>\$ 5,428</u>	<u>\$ 6,961</u>

Note 11 Deferred Expended Capital Contributions

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

	2014	2013
Balance, beginning of year	\$ 121,107	\$ 120,689
Transferred from deferred contributions to acquire capital assets (note 10)	1,272	4,108
Transferred to revenue	(4,149)	(3,690)
Balance, end of year	<u>\$ 118,230</u>	<u>\$ 121,107</u>

THE BANFF CENTRE
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 12 Long-Term Debt and Commitments

Debt	2014	2013
Term loan - Professional Development Centre	\$ 730	\$ 1,104
Capital leases	104	102
	<u>834</u>	<u>1,206</u>
Less: debt due within one year	(389)	(1,169)
Long-term debt	<u>\$ 445</u>	<u>\$ 37</u>

In April 2010, the Centre refinanced the unsecured term loan for a three-year period with blended principal and interest repayments of approximately \$297,000 per annum. In May 2013, the Centre renewed the loan on similar terms for a 48-month period until May 1, 2017, with interest at 3.04% per annum.

From time to time the Centre enters into capital leases to finance various purchases of equipment. These leases generally range in maturity from three to five years with implicit interest rates between 3.0% and 5.0%.

The Centre maintains a Letter of Credit Facility of up to \$200,000 ("Credit Facility") at an interest rate of 1.3% per annum. Amounts drawn under this Credit Facility are available through commercial letters of credit. At March 31, 2014, \$75,000 is issued and outstanding (2013 - \$75,000).

Interest expense on long-term debt for the years ended March 31, 2014 and 2013 was \$29,903 and \$47,051, respectively. Interest expense approximates interest paid for both fiscal years. These expenses are included in the institutional support category of functional expense.

Commitments

In October 2009, the Centre entered into a long-term supply arrangement with an electrical utility supplier for its electrical power needs for the period January 1, 2011 to December 31, 2014, at a rate of \$0.0652 per kilowatt hour.

The Centre is party to an agreement with Rocky Mountain Cooperative Housing Association under which the Centre is committed to the rental of 42 housing units through December 2019. Under this agreement, the monthly rent is approximately \$47,733, and the total of all commitments over the remainder of the lease term is approximately \$3,294,000.

THE BANFF CENTRE
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 12 Long-Term Debt and Commitments (continued)

Commitments (continued)

The Centre is party to an agreement with YWCA Banff under which the Centre is committed to the rental of 13 housing units through August 2014. Under this agreement, the approximate monthly rent is \$6,200, and the total of all commitments over the remainder of the lease term is approximately \$24,800.

Future expected minimum repayments are as follows:

Year Ending March 31	Professional Development Centre	Capital Leases	Operating Leases
2015	\$ 349	\$ 40	\$ 755
2016	324	41	724
2017	57	23	697
2018	-	-	682
2019	-	-	628
thereafter	-	-	430
	<u>\$ 730</u>	<u>\$ 104</u>	<u>\$ 3,916</u>

Note 13 Employee Future Benefit Liabilities

The 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 the Centre's participating employees based on years of service and earnings.

PSPP

As the 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 \$1,225,000 (2013 - \$1,042,000) recorded for the PSPP is comprised of employer contributions to the plan that are required for the Centre's employees during the year. Pension expense is recorded as a direct cost together with the related salaries and wages and reported in all expense categories of the statement of operations. Contributions are calculated based on actuarially predetermined amounts that are expected to provide the plan's future benefits.

An actuarial valuation of the PSPP was carried out at December 31, 2012 and was then extrapolated to December 31, 2013. At December 31, 2013 the PSPP reported an actuarial deficiency of \$1.255 billion (2012 - \$1.645 billion) for the plan as a whole. The PSPP's deficiency is being discharged through additional contributions from both employees and employers until 2025. Other than the requirement to make additional contributions, the Centre does not bear any risk related to the PSPP deficiency.

THE BANFF CENTRE
Notes to the Consolidated Financial Statements

For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 13 Employee Future Benefit Liabilities (continued)

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, 2012 and further extrapolated to the Centre's year ended March 31, 2014. The Centre's share of the benefit liability, which has been allocated based on employer contributions to the plan, is estimated to be \$3,526,000 at March 31, 2014 (2013 - \$3,515,000).

The Centre recorded its share of pension expense of \$1,067,000 (2013 - \$1,023,000).

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

	2014	2013
Accrued benefit obligation at March 31	\$ 18,649	\$ 16,761
Discount rate	6.60%	6.20%
Benefit costs for years ended March 31	\$ 751	\$ 679
Discount rate	6.60%	6.20%
Average compensation increase	3.50%	3.50%
Estimated average remaining service life	8.6 yrs	10.2 yrs

The UAPP unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% of salaries by the Government of Alberta. Employees and employers share equally the balance of the contributions of 2.87% (2013 - 2.34%) of salaries required to eliminate the unfunded deficiency by December 31, 2043. The Government of Alberta's share of the obligation for the UAPP unfunded deficit at March 31, 2014 is \$310.7 million (2013 - \$327.7 million).

The UAPP unfunded deficiency for service after December 31, 1991 is financed by special payments of 5.54% (2013 - 5.24%) of pensionable earnings until December 31, 2021, 1.71% (2013 - 1.46%) of salaries for 2022 and 2023, 0.70% (2013 - 0.45%) of salaries for 2024 and 2025, and 0.25% (2013 - 0.0%) of salaries for 2026 and 2027, all shared equally between employees and employers.

Administrative leave

The Centre provides the President with a paid leave of absence at the end of his administrative appointment, accrued during the period of employment. Upon completion of the term of service, the salary and benefits in effect at that time are paid for the duration of the leave. A lump sum payment may be taken at the end of the appointment with Board approval.

The Centre's benefit expense for administrative leave totaled \$58,000 (2013 - \$75,000). The benefit liability at March 31, 2014 is \$144,000 (2013 - \$86,000). No assets are set aside to fund the liability as the Centre plans to use its working capital to finance this future obligation.

THE BANFF CENTRE
Notes to the Consolidated Financial Statements

For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 14 Accumulated Surplus

The changes in accumulated surplus are as follows:	Unrestricted	UAPP	2014	2013
		Pension Deficit (note 13)		
Accumulated operating surplus (deficit), beginning of year	\$ 16,395	\$ (3,515)	\$ 12,880	\$ 12,683
Excess of revenue over expense	537	-	537	197
UAPP pension benefits accrual	11	(11)		-
Accumulated operating surplus (deficit), end of year	<u>\$ 16,943</u>	<u>\$ (3,526)</u>	<u>\$ 13,417</u>	<u>\$ 12,880</u>

Included in accumulated surplus is \$21,909,000 (2013 - \$22,592,000) representing the amount of surplus that has been invested in capital assets.

Note 15 Endowments

	2014	2013
	(restated - note 3)	
Endowments, beginning of year	\$ 30,586	\$ 25,089
Contributions and other transfers	2,950	3,315
Investment income	834	673
Net capital gains	4,817	1,766
Distribution of earnings available for spending	(922)	(257)
Endowments, end of year	<u>\$ 38,265</u>	<u>\$ 30,586</u>

The Centre receives matching funds on eligible endowment contributions from Canadian Heritage under the Endowment Incentives program. These contributions and matching funds are held by The Banff Centre Foundation and The Banff Community Foundation (an unrelated public charitable foundation) and managed as a permanent endowment for the sole benefit of the Centre. During 2014, the Centre transferred \$2,000,000 of eligible donations to The Banff Centre Foundation (2013 - \$1,215,000). The market values of the funds held by these foundations are as follows:

	2014	2013
The Banff Centre Foundation	\$ 18,851,000	\$ 12,569,000
The Banff Community Foundation	\$ 10,141,000	\$ 9,018,000

Endowments consist of externally restricted donations received by the Centre and are managed in accordance with the terms of the agreements between the Centre and the individual donors.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors as well as the Centre's policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and by reinvesting unexpended income.

THE BANFF CENTRE
Notes to the Consolidated Financial Statements

For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 15 Endowments (continued)

Under the Post-Secondary Learning Act, the Centre has the authority to alter the terms and conditions of endowments to enable:

- 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
- 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 the Centre and does not impair the long-term value of the fund

In any year, if the investment earnings on endowments are insufficient to fund the spending allocation, the spending allocation is funded from the cumulative earnings reinvested in the fund. However, for individual endowment funds without sufficient cumulative reinvested earnings, endowment principal may be used in that year. This amount is expected to be recovered from future investment earnings.

Note 16 Government Grants

	2014	2013
Base operating grant from Alberta Innovation and Advanced Education	\$ 16,472	\$ 16,427
Other Government of Alberta grants:		
Alberta Innovation and Advanced Education	1,123	212
Alberta Culture	377	268
Other Ministries	6	5
	<u>\$ 17,978</u>	<u>\$ 16,912</u>
Federal and other government grants:		
Government of Canada - Department of Canadian Heritage		
Canada Arts Training Fund	\$ 1,950	\$ 1,950
Canada Arts Presentation Fund	124	124
Canada Cultural Investment Fund	-	437
Celebrate Canada	7	-
Other government grants	303	393
	<u>\$ 2,384</u>	<u>\$ 2,904</u>

THE BANFF CENTRE
Notes to the Consolidated Financial Statements

For the year ended March 31, 2014
(tabular amounts in thousands of dollars)

Note 17 Salaries and Employee Benefits

The salaries and employee benefit expenses of the Centre include:

	2014	2013
Salaries, wages and non-pension benefits	\$ 29,636	\$ 28,166
Pension benefits	2,292	2,065
	<u>\$ 31,928</u>	<u>\$ 30,231</u>

The salaries and benefits of the Board of Governors and senior management are as follows:

	2014			2013	
	Base Salaries	Other Cash Benefits (1)	Other Non-cash Benefits (2)	Total	Total
Board of Governors (3)	\$ -	\$ -	\$ -	\$ -	\$ -
President (4)	288	45	111	444	401
Vice-Presidents:					
Programming	150	-	38	188	212
Finance (former)	102	88	12	202	317
Finance (incumbent)	42	-	9	51	-
Business Development	165	-	29	194	-
	<u>\$ 747</u>	<u>\$ 133</u>	<u>\$ 199</u>	<u>\$ 1,079</u>	<u>\$ 930</u>

(1) other cash benefits include earnings such as vacation payouts, bonuses, housing allowances and other lump sum amounts, including retirement and severance payments

(2) other benefits include the Centre's share of all employee benefits and payments made on behalf of employees including pension, administrative and retirement leave, health care, life insurance and disability plans, tuition benefits, taxable travel and other benefits for the use of Banff Centre residences, vehicles and services

(3) the Chair and members of the Board of Governors receive no remuneration for their services

(4) executives in this role receive administrative leave benefits having a current benefit cost of \$58,000 (2013 - \$75,000)

THE BANFF CENTRE

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(tabular amounts in thousands of dollars)

Note 18 Budget

Budgeted amounts have been provided for comparison purposes and are derived from the Centre's Comprehensive Institutional Plan as approved by the Board of Governors.

Note 19 Expense By Object

	2014		2013
	Budget	Actual	Actual
Salaries, wages and benefits (note 17)	\$ 32,814	\$ 31,928	\$ 30,231
Purchased services	4,286	5,128	4,849
Materials, goods and supplies	4,114	3,872	3,971
Scholarships and financial assistance	3,847	3,289	3,415
Facilities operations and maintenance	3,246	3,127	2,494
Utilities	2,008	1,787	1,500
Travel, training and related costs	1,541	1,926	1,871
Rentals and equipment	909	1,097	990
Marketing and recruitment	722	625	1,243
Financial costs	617	638	857
Amortization of capital assets (note 8)	5,867	5,864	5,237
Gain on disposals of capital assets	-	(8)	(1)
	<u>\$ 59,971</u>	<u>\$ 59,273</u>	<u>\$ 56,657</u>

GOVERNANCE

Board of Governors | April 2013 to March 2014

Brenda Mackie (Chair)	Elmer Hildebrand
Robert Walker (Vice Chair)	Leroy Little Bear
Linda Black (to October 28, 2013)	Anne Lockwood
Larry Fichtner (from November 2, 2013)	Ralston MacDonnell
Jill Gardiner	Trina McQueen
Christiane Germain	Jeff Melanson
Joan Forge	Susan Peterson
Asim Ghosh	Joseph Shlesinger
Christopher Hilbert	

Executive Officers

Jeff Melanson, President
Gillian Danby, Vice-president and Chief Financial Officer (from January 6, 2014)
Luke Sunderland, Vice-president, Business Development
Carolyn Warren, Vice-president, Arts

