

The Banff Centre **Annual Report**

April 2010 - March 2011



The Banff Centre
inspiring creativity

The Banff Centre Annual Report

Inspiring Creativity
April 2010 — March 2011

Message from the Board Chair and the President

2010-11 was a landmark year for The Banff Centre, as we celebrated the opening of the Kinnear Centre for Creativity & Innovation. The signature project in Phase One of Banff Centre Revitalization, this iconic building is the new heart of The Banff Centre campus. The Centre's ability to provide exceptional spaces for artists and leaders to study, create, produce, and share ideas has been greatly enhanced with the opening of the Kinnear Centre, as well as the completion of other essential facility upgrades over the course of the Revitalization project.

Despite challenging economic times, support from the Governments of Alberta and Canada as well as strong partnerships with corporate, private, and foundation donors enabled The Banff Centre to reach significant capital and program funding goals over the past year. The opening of the Kinnear Centre marked the conclusion of a six-year capital campaign that raised \$100 million for capital projects, and close to \$30 million for programming, scholarships, and endowments.

During 2010-11, The Banff Centre advanced its mission of **Inspiring Creativity** by fostering artistic growth and developing the skills of artists and leaders, and by enriching Canada's cultural repertoire. We maintained our position as Canada's creative leader in arts and culture by continuing to provide exceptional programming, by commissioning and supporting new work, and by fostering strong relationships with educational and cultural partners. Banff Centre programs contributed to the achievement of the strategic goals set by Alberta Advanced Education and Technology, and again received high satisfaction ratings from program participants who return to communities throughout Canada and beyond to inspire and mentor others, and to strengthen the cultural, social, and economic fabric of their communities.

The Banff Centre's prudent stewardship of resources enables us to offer programming that prepare artists and leaders for successful careers in an increasing multi-disciplinary environment. Building on our significant achievements in 2010-11, we shall continue to support ground-breaking new creative work, build Alberta's creative economy, and contribute to Canada's artistic and cultural capital.

Jeff Kovitz, QC
Chair, Board of Governors

Mary E. Hofstetter
President & CEO

Statement of Accountability

The Banff Centre's Annual Report for the 12-month period ended March 31, 2011 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.

Jeff Kovitz, QC
Chair, Board of Governors
July 22, 2011

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 financial statements, performance results, and supporting management information. 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 audit committee, as well as approved by the Board of Governors and is prepared in accordance with the Government Accountability Act and the Post-secondary Learning Act.

Mary E. Hofstetter
President & CEO

Art Nutt
Vice-president & CFO



The Banff Centre Board of Governors, July 2011

- Standing (left to right): Mary Hofstetter, Linda Black, Brenda Mackie, Arni Thorsteinson, Joan Forge, Jill Gardiner, Jeff Kovitz (Chair)
- Sitting (left to right): Christopher Hilbert, Jack Davis, Trina McQueen, Robert Walker, Susan Peterson
- Missing from photo: Christiane Germain, Leroy Little Bear, Ralston MacDonnell, Joseph Shlesinger

Operational Overview: Inspiring Creativity

Mission

The Banff Centre is Canada's creative leader in arts and culture. Our mission is **Inspiring Creativity**. In our powerful mountain setting, exceptional artists and leaders from around the world create and perform new works of art, share skills and knowledge in an interdisciplinary environment, explore ideas, and develop solutions in the arts, and leadership.

Vision

Advancing Canada's contribution to creativity and knowledge through Arts and Culture.

Mandate

The Banff Centre is a public, board-governed institution operating under the authority of the Post-secondary Learning Act, Province of Alberta. Designated by the Minister of Advanced Education and Technology as a Specialized Arts and Culture Institute in the Six Sector model, The Banff Centre plays a unique role among Alberta's post-secondary institutions.

Program Focus

Advancing Careers • Igniting New Creative Work • Accelerating Ideas

Arts programs are at the core of The Banff Centre. The Banff Centre develops multi-dimensional artists for the international stage by offering intensive programs at a professional, postgraduate level. Programs focus on artistic growth, independent research, and the creation, production, and dissemination of new works. As a catalyst and commissioner of new art and performance by individual artists and arts collectives, the Centre enriches Canada's cultural repertoire. Work is disseminated through public performances, events, and exhibitions throughout the year, including during the annual Banff Summer Arts Festival and Banff Mountain Festival.

"My experience of Banff and The Banff Centre will resonate for years to come. This residency was a cultural, creative, and professional immersion. . . . The Banff Centre is vital for the cultivation of creative thought and innovation."

Jeremy Victor Herndl, 2010 Visual Arts participant

Programs are offered in a wide range of art forms including opera, music, theatre, dance, writing, painting, sculpture, print-making, ceramics, photography, and Aboriginal arts. The Banff Centre also provides leading-edge programming in new media, audio sound engineering, and digital film and media production for those working in new technologies related to the cultural industries – a cornerstone of *The Spirit of Alberta: Alberta's Cultural Policy*.

Recognizing The Banff Centre's special setting in Banff National Park, a UNESCO World Heritage site, some programs are specifically designed to promote appreciation of the world's mountain places as expressed through photography, film, literature, and other art forms.

"The past three weeks here at The Banff Center have done nothing but inspire creativity. Just today I climbed Mount Bourgeau. There were small fish – creatures bubbling out of the water to catch their lunch, dancing as if choreographed by George Balanchine. When I bring these images back to the practice room, it brings life to the music in a way I can't explain."

Hunter Noack, 2010 Piano Master Class, participant

In this multi-disciplinary environment, the focus is on artistic growth, independent study, and the creation, production, and dissemination of new works. All programs are highly customized to fit the requirements of learners in advancing their artistic careers. While providing a safe place for individual experimentation and risk-taking, The Banff Centre offers the opportunity to connect with exceptional peers and mentors, as well as appreciative audiences. The intent is to make a significant impact on artists' careers – enabling them to make an exponential leap to the next level of their development. Program participants also benefit from learning opportunities presented in summits, think tanks, and conferences. They return to their communities and places of work to share knowledge and inspire others—often reporting that their experience at The Banff Centre was "transformative."

"Every writer I know who has been to The Banff Centre said it was life changing. They were right."

Nanci Lee, 2010 Writing Studio participant

As with the Arts, the balance of program areas at The Banff Centre focus on creative approaches. The Centre provides unique **Leadership Development** programming to serve the needs of a knowledge-intensive society. Senior business and professional leaders are the focus of innovative, experiential arts-based and nature-inspired programming designed to foster innovation.

Through the EnCana Community of Leaders program, The Banff Centre works to improve the skills, knowledge, and confidence of leaders who provide a range of social services through non-profit agencies serving Alberta's rural communities.

Aboriginal Leadership and Management programs serve leaders working in First Nations, Métis, and Inuit communities. Situated in the heart of Blackfoot Territory at the convergence of three valleys, The Banff Centre has established special relationships with Aboriginal learners. With an increased emphasis on applied research, the Centre is well-positioned to disseminate best practices among Aboriginal community leaders. During 2010-2011, The Banff Centre conducted research into wise practices in Aboriginal communities across Alberta through the Nexen Chair in Aboriginal Leadership, with support from the Rural Alberta Development Fund.

The Banff Centre also conducts applied research and fosters innovation in a variety of program areas, both independently and in partnership with other institutions and the private sector.

The primary delivery mechanism for programs at The Banff Centre is through on-site programs, summits, think tanks and conferences. Program terms range from one to thirteen weeks; work study opportunities last up to one year.

Conferences have been a central activity of The Banff Centre for nearly 60 years, providing delegates from Alberta, Canada, and around the world with meeting facilities in an intellectually rich and thought-provoking environment. Delegates benefit from the creative energies and showcasing of our arts and leadership programming. Net revenues from conference activity are an essential source of funding to support arts programming.

Program Environment

Unique programs • Exceptional participants

All Banff Centre programs are grounded in the Centre's mission of "Inspiring Creativity", and are shaped by the following guiding principles:

- attracts exceptional applicants from across Canada and internationally;
- focuses on each individual learner's need to achieve excellence;
- leads in pedagogical innovation with excellent faculty;
- influences the careers of leaders in the arts, business, and public service;
- disseminates the work created here to audiences across Canada and the world.

Recent research on the Centre's role in the Alberta and Canadian educational matrix revealed that:

- Competition for program placements at The Banff Centre is strong, attracting applications from across Alberta, Canada and the world;
- Annually, a quarter of all participants come from outside Canada, 75 per cent of those from across the United States and Europe;
- The Banff Centre is a destination of choice for internationally renowned faculty and attracts ground-breaking researchers, particularly in new media and audio engineering.

"I feel extremely lucky to have had the opportunity to participate in this residency. My studio was beautiful, the equipment and facilities top notch, the staff and faculty were extremely knowledgeable, helpful, and friendly: All in all, an incredibly supportive environment for researching and producing and collaborating. It pains my heart to leave."

Karin Zuppiger, Visual Arts participant

Banff Centre Revitalization

In July, the Centre opened the Kinnear Centre for Creativity & Innovation, marking the substantial completion of Phase One of The Banff Centre Revitalization Project — the largest redevelopment project in the Centre's history. Situated at the heart of the campus, the Kinnear Centre encompasses 21,000 square feet of learning and meeting rooms. It includes nine large multifunction rooms including a sprung-floor ballet studio, ten breakout classrooms, a central art gallery, and the Maclab Bistro — a licenced cafe-style eatery and performance space. It is the new home for the Centre's Paul D. Fleck Library & Archives, providing ready access to the Centre's extensive art and archives collections through integrated audiovisual stations and digital server systems, and through expanded stack and readings areas overlooking the Bow Valley.

The Kinnear Centre was designed by renowned Canadian architect Jack Diamond to meet LEED® (Leadership in Energy and Environmental Design) Green Building System silver status. The facility's light-filled interior spaces offer expansive views of the surrounding mountains.

The Kinnear Centre for Creativity & Innovation was officially opened on July 24, 2010, in the presence of HRH The Prince Edward, Earl of Wessex, KG, KCVO.

Other Revitalization projects completed in 2010-11 include landscaping and pathways, and the Donald Cameron Centre. Redeveloped from one of the original 1940s-era Banff Centre chalets, Donald Cameron Centre houses administrative and student support services.

In summer 2011, the Centre will open the Shaw Amphitheatre, a spectacular outdoor performance venue capable of seating over 1,600, marking the completion of Phase One of the Revitalization Project.

"In years to come I hope that the Kinnear Centre will create new works of art, inspire new leaders and share innovative ideas. As such hope it will fulfill, if not exceed, the expectations of its creators and supporters. More importantly, I hope it will help to extend the reach and reputation of The Banff Centre as it strives to inspire creativity and to transform the careers and lives of emerging artists and leaders. Congratulations to all who have made this dream a reality."

**HRH The Prince Edward, Earl of Wessex, KG, KCVO
at the opening of the Kinnear Centre for Creativity & Innovation**

Program Impact

Creating, Showcasing, and Disseminating New Work

Highlights of new creative works projects commissioned, co-commissioned, and/or disseminated by The Banff Centre during 2010-2011 include: *Lillian Alling*: the third opera by John Murrell and John Estacio, co-produced with Vancouver Opera; choreographer Kevin O'Day's *Face to Face* commissioned and premiered by the Centre and remounted by Ballet BC and Ballet Mannheim (Germany); composer Ana Sokolovics' *Commedia del Arte* co-commissioned by the Centre and the Canadian Broadcasting Corporation; Brian Jungen's sculpture *The ghosts on top of my head*, commissioned by the Centre; The Walter Phillips Gallery exhibition *Who I Think I Am* featuring 11 new works by artist Ron Terada; Melanie Gilligan's *Popular Unrest*, 2010 co-commissioned by the Centre and gallery partners in Canada, Germany, and the U.K; and Geoffrey Farmer's "sculpture play" exhibition *God's Dice*, commissioned by the Centre and remounted by Los Angeles' Red Cat Gallery.

"This program is remarkable in its design, execution, and awe-inspiring setting and geography. It is exactly what I needed this summer to take the next big step as a student, artist, and young professional; being the youngest violinist in the program, I felt it truly opened my eyes to a new world of musical thought and ideas."

**Maria Vander Sloot,
2010 Violin Master Class and Banff Festival Orchestra participant**

In total, The Banff Centre produced over 420 performances, concerts, readings, exhibitions, and public presentations in 2010-11, to audiences in Banff totalling 77,345. In addition, works created and/or supported at the Centre were presented across Canada and around the world, including at the Disney Concert Complex in Los Angeles; New York's Zankel Hall; the O1SJ Biennial in San Jose, California; the World Expo in Shanghai, China; Toronto's Koerner Hall and Young Centre for the Performing Arts; and in Beijing, Kuala Lumpur, Malaysia, and Seoul, among many other diverse worldwide locations. New work created at the Centre was also seen and heard throughout the world on iTunesU, and through partnerships with CBC Radio and DeutschlandRadio. The Banff Centre's Mountain Film Festival presented 660 screenings in 34 countries around the world, reaching audiences from Asia to Antarctica.

Developing Potential • Transforming Lives

Participants tell us that their experience at The Banff Centre changes their lives.

- Alumni of The Banff Centre's arts programs are more likely to have received at least one or two awards, achievements or distinctions since leaving Banff than graduates of any other arts training program in Canada;
- Over 90 per cent of Banff Centre alumni are working professionally in their field and 81 per cent of them secured a position, role or exhibition within a year of taking a Banff Centre program;
- 78 per cent of graduates earn their living from artistic practice, 75 per cent also serve as mentors and teachers within their communities.

"This program has undoubtedly had the most significant impact on my musical development and appreciation during my ten years as a cellist, and I feel extremely fortunate to be a part of The Banff Centre this summer."

Devin Franco, 2010 cello master class participant

Supporting Canada's Cultural Institutions

One of the findings that emerged from an Environmental Scan, undertaken by the Centre for the *Towards 2020 Strategic Plan*, is that The Banff Centre is not seen as a competitor, but rather is sought out as a collaborator, both by sister institutions in the post-secondary system and by cultural organizations. This is borne out by the many relationships The Banff Centre has established across institutions.

The Banff Centre and the Alberta College of Art and Design are the institutions that make up one of the Six Sectors in the province's Roles and Mandates Framework, that of Specialized Arts and Culture Institutions. These two institutions have, for many years, shared information and collaborated as active members of the Association of Canadian Institutions of Art and Design.

The Banff Centre is in regular dialogue with other National Arts Training Institutions regarding the needs of post-graduate practitioners in the arts and cultural industries across Canada. As a result, in 2011-12 we are embarking on a new program for francophone theatre practitioners in partnership with the National Theatre School, the Canada Council for the Arts, and the Department of Canadian Heritage.

"The Banff Centre's Opera as Theatre program has been so rewarding. I feel that I have improved in all areas as a professional opera singer and I felt so privileged to work with such prominent artists in the field."

Hiather Darnel, 2010 Opera as Theatre participant

The Paul D. Fleck Library & Archives at The Banff Centre is a member of The Alberta Library and participates in the Lois Hole Campus Alberta Digital Library initiative. The Librarian is active in supporting collaboration between post-secondary libraries in Alberta, serving on The Alberta Library Board of Directors and committees of the Alberta Association of College Librarians.

The Banff Centre continues to support Canada's major arts institutions by providing post-graduate professional training of the highest calibre. Musicians and performers trained in Banff form the core of Canada's symphony orchestras and dance companies. The Banff Centre alumni constitute approximately 50 per cent of the Calgary Philharmonic and of the Edmonton Symphony Orchestra, 75 per cent of Alberta Ballet, 50 per cent of the Royal Winnipeg Ballet, 33 per cent of the Vancouver Symphony Orchestra, 33 per cent of the Toronto Symphony Orchestra, and 25 per cent of the National Arts Centre Orchestra.

In 2010-11, the Centre partnered with cultural organizations across Canada, including Vancouver Opera, CBC Radio, Toronto's Tafelmusik, Vancouver's Push Festival, Ballet BC, the University of Toronto, and many others to support new creative work.

Fostering Leadership

Individuals from over 168 different corporations, non-profits, and government agencies attended The Banff Centre's publicly-offered Leadership Development programs in 2010-2011. Many organizations also accessed the Centre's customized leadership programming, including: Cenovus, Encana, Suncor, Enbridge, Talisman Energy, TransAlta, Shell Canada, Shaw Communications, Calgary Co-op, Sysco Calgary, PricewaterhouseCoopers, the National Council of Foundation Executives, Canada School of Public Service, SNC Lavalin, Central Alberta Women's Emergency Shelter, EBA Engineering, Calgary Arts Academy, Raytheon, Westernzagros, Canadian Pacific, Sunshine Ski Resort, Stoney Nation Child and Family Services, Aarhus University, SimpleWealth, Alberta Health Services, Indian and Northern Affairs Canada, and the Calgary Police Service. The Centre's Aboriginal Leadership and Management programs served participants from First Nations, Metis, and Inuit communities and organizations from across Canada.

"In a complex and chaotic world, the skill and qualities of leadership have to change. The Banff Centre gets this, and is pioneering toward this emerging reality."

Rob Gray, Leadership Development participant

Fueling Innovation • Sharing Knowledge

The Banff Centre attracts ground-breaking researchers, particularly in the areas of new media and audio engineering. The Centre collaborates with Digital Alberta to design and deliver programs for professionals in the new media industry. The Centre's strength in research was recognized in 2010-2011 in research grants awarded to the Centre by AACTI (Alberta Association of Colleges and Technical Institutes), iCORE (Informatics Circle of Research Excellence), SSHRC (Social Sciences and Humanities Research Council), and CFI (Canadian Foundation for Innovation). Industry collaborators such as Nexen and Suncor are also involved with the applied research initiatives in Aboriginal Leadership and Management to the benefit of Indigenous people across Canada, and the Director of Research serves on the boards of the Alberta Rural Development Network and Cybera.

"The people I've met and the networks I have formed here at The Banff Centre have become invaluable to my life. The courses have changed my life and have given me the tools necessary to effect true change in the future direction for my Nation. My eyes have been opened and can never again be closed."

**Howard Mustus Jr., Alexis Sioux Nation,
2010 Aboriginal Leadership and Management participant**

The Banff Centre is an active member of the Alberta Association of Colleges and Technical Institutes (AACTI). In particular, The Banff Centre has taken on a key leadership role on the Innovation Management Committee of AACTI, helping to set the direction and priorities for applied research among AACTI members. In addition to consulting with colleagues in AACTI, The Banff Centre works regularly with universities. In 2011-12 the Centre is launching a new collaborative research program in Visual Arts — the Banff Research in Culture (BRiC) program — with the University of Alberta.

International Reach

The Government of Alberta recognizes that Alberta's long-term economic and social priorities are achieved through strategic and collaborative alliances with other countries. In total, Alberta's publicly funded post-secondary institutions receive only 6.5 per cent of all the international students that come to Canada. As a Specialized Arts and Culture Institution, drawing participants from Alberta, across Canada and globally, The Banff Centre attracts top faculty and participants to Alberta, and provides Albertans with a globally competitive post-graduate arts and creativity facility. The Banff Centre is one of the few organizations in Canada which develops artists to international standards. Faculty with specific expertise relevant to the learners' goals are employed on short-term contracts. Their diverse educational and employment backgrounds enable ongoing cross-over between the academic community and the community of practice.

Twenty-five per cent of all participants attending programs at The Banff Centre come from outside Canada from countries including the United States, Australia, Austria, Columbia, Chile, China, France, Germany, Hungary, Indonesia, Iceland, Ireland, Israel, Japan, Mexico, the Netherlands, Puerto Rico, Russia, Taiwan, and the United Kingdom.

The Banff Centre sets the standard for post-graduate training in many art forms, providing artists from around the world with unique opportunities for training and career development in their chosen discipline. As a result, countries around the world have developed agreements with The Banff Centre to support annual artist residencies for their nationals.

"This has been a valuable experience that will hold me in good stead to take my film career to the next level – not just in adventure filmmaking, but as a documentary filmmaker. I will recommend this program to students and filmmakers back in New Zealand. It's a lifetime opportunity for adventure filmmakers, amateur to pro. Through the hands-on training and work experience, this course has definitely offered me tools I could not have gained in New Zealand."

Maryann Tuao, Adventure Filmmakers' Workshop

Program Accessibility

It is a long established practice and core value that The Banff Centre seeks to mitigate the financial burden on program participants, ensuring accessibility to all qualified participants based on merit and not on their ability to pay. Banff Centre programs are learner-centred, customized to the needs and aspirations of individual artists, but they must also be affordable. **The Banff Centre's primary Access Goal is:** to continue to keep tuition fee increases to a minimum, and to maintain or increase the level of scholarship support provided.

Tuition fees account for only 4.9 per cent of Banff Centre revenues. The operating grant from Alberta Advanced Education and Technology currently provides 30 per cent of the Centre's annual operating budget, with the balance coming from other sources, primarily conference and hospitality operations, other earned revenue, donations, grants, and endowment income. Some of these revenues are used to defray the cost of tuition, with The Banff Centre providing scholarship assistance to an average level of 69 per cent of total tuition.

The Centre's second Access Goal is to increase access to programs for Aboriginal artists and leaders. Since its inception in 1993, the Aboriginal Arts Program has provided opportunities for Aboriginal artists to create and produce work with cultural integrity and artistic merit. The Banff Centre is committed to ensuring that First Nations, Metis, and Inuit learners and communities will have greater access to arts, cultural, and leadership training.

"A life-changing experience for me. At age 28, this was the first time where I found myself surrounded by a team of brothers and sisters who share a historical lineage that relates first to mother earth and dancing [being] the chosen tool to communicate our knowledge."

Victoria Mata, 2010 Indigenous Dance participant

The third Access Goal is to increase access to technology-based programs and research in new media, sound engineering, and film and media production. Recognizing that excellence in research, innovation, and commercialization drives Alberta's future success, and understanding that technology is driving global connectivity, The Banff Centre continued its long history of engagement in Alberta Innovates – Technology Futures, particularly in Information and Communications Technology (ICT) Leadership and Capacity areas, which highlight the importance to Alberta of research and innovation in the ICT area, and especially in Digital Media. The Banff Centre has worked closely with Alberta Innovation and Science, and more recently with Alberta Advanced Education and Technology, on programs such as the Digital Commons Creative Network, in developing and fostering partnerships with small and medium enterprises through the Accelerator program.

"Prepare a list of questions that are eluding you, and get on a plane to Banff!"

Tim Davis, 2010 Film & Media participant

Key Opportunities and Challenges

Strategic Plan "Towards 2020"

Informed by the Province of Alberta's designation of the Centre as a Specialized Arts and Culture Institution and consistent with the Centre's Mandate, program plan, and financial sustainability model, the Centre has adopted a Strategic Plan, "Towards 2020". The Plan was approved by The Board of Governors in July 2009, with the following key objectives identified for the first three years of the plan.

GOAL 1: The Banff Centre will be nationally and internationally renowned for leadership in arts, culture, and the ideas that surround creativity.

Key objectives:

- Serve as a catalyst for advancing arts and culture nationally/ internationally;
- Continue to develop innovative arts programming that serves the needs of emerging and established artists from Alberta, Canada and the rest of the world;
- Strengthen and build collaborations with provincial, national and international partners;
- Introduce a robust, interactive, on-line presence linking artists, leaders, ideas to extend the reach of Banff Centre programs/ activities.

GOAL 2: The Banff Centre and its participating artists will add to the cultural repertoire of our national and global community.

Key objectives:

- Commission new work from artists, ensembles and companies;
- Produce and premiere new work at The Banff Centre;
- Partner with other organizations to create and disseminate work across Alberta, Canada and the world;
- Utilize media technologies to disseminate the work created here around the world.

GOAL 3: To develop multi-dimensional artists for the international stage and provide an artistically rich environment that supports artists and the creation of art.

Key objectives:

Continue to design and deliver post-graduate level training in the arts which is learner-centred, encompassing exceptional mentorship by leading artists, personal reflection, creative work of unusual intensity, and peer-to-peer learning with built-in opportunities to showcase, exhibit, and perform the skills acquired and mastered;

Develop a strategic approach to new multidisciplinary and interdisciplinary programming, building on the Centre's audio and visual technical abilities, production capabilities, studios and performance spaces that enable both emerging and established artists to interact within a multidisciplinary environment, allowing them to push boundaries, to experiment, to share knowledge, to create and showcase new work.

GOAL 4: To add to the global knowledge base in Arts and Culture and other areas within the mandate through its activities, programs, creative works, and archival holdings.

Key objectives:

- Assess different models for convening and producing high-level symposia;
- Continue to pursue a sophisticated research agenda, increasing the number of jury-approved research grant proposals;
- Provide technology-enabled networks to facilitate knowledge transfer;
- Continue to develop leading-edge programs in Leadership Development
- Enhance offerings for Aboriginal artists and leaders to meet the expressed needs of First Nations, Inuit and Métis communities;
- Repatriate and complete The Banff Centre archives;
- Attract new donations to the library, archives and permanent collection.

GOAL 5: To be an entrepreneur in support of Banff Centre goals and within its mandate, developing an organization and fostering a culture that values creativity in all of its endeavours.

Key objectives:

- Assess the business model to maximize revenues and streamline expenses ongoing;
- Continue with the three year cycle of program review initiated in 2009-10;
- Establish a technology task force to develop and implement a plan for an interactive online presence;
- Complete implementation of MIS system;
- Secure funding for new initiatives;
- Complete new three year plans for Capital, Conferences, and Development.

During the first year of the Strategic Plan implementation, measurable progress was achieved for each goal. The Board of Governors received quarterly progress reports for both the Strategic Plan and the Business Plan.

Financial Sustainability

The Banff Centre faces the ongoing operational challenge of maintaining the viability of its business model, and even more so during a period of significant campus redevelopment and global economic contraction. This challenge is exacerbated by the fact that the Centre's business model requires 70 per cent of revenues to be generated by sources other than the base operating grant provided by Alberta Advanced Education and Technology, with the largest components coming from the Centre's conference, leadership development, and hospitality operations. However, it is in these same operational areas where the downturn in the economy has impacted the Centre the most. The Centre is still experiencing a reduction in the number of companies and organizations booking conferences, educational seminars, and external training and development sessions, all of which provide substantial revenue for the Centre. During this period of economic uncertainty, the net revenue contribution from Conferences and Leadership Development programming alone has been reduced by approximately 37.5 per cent.

As well, the economic downturn has adversely impacted endowment funds, the income from which is an essential funding source for the Centre's extensive scholarship and student assistance programs. However, based on recent market performance, modest increases are anticipated in income from endowments in the future.

To meet this fiscal challenge the Centre implemented a number of cost control measures. All non-salary expenditures have been maintained at previous levels, discretionary expenses such as travel and training have been significantly reduced where feasible and practical, vacant positions are rigorously assessed before they are filled, all professional and management salaries have been frozen until at least March 31st, 2012, staffing levels have been adjusted to align with anticipated business levels, and the Centre has negotiated an agreement with unionized staff that resulted in no cost of living adjustment in calendar year 2011.

Achieving a balanced budget with a substantial reduction in Conference and Leadership Development revenue reduces the dependency on those streams and starts to introduce change in the business model. Careful stewardship of existing partners and the unyielding dedication to delivering exceptional programming in arts and creative leadership have helped The Banff Centre sustain its operations despite these economic challenges. The new Kinnear Centre for Creativity & Innovation will provide significant opportunities to restore these revenue streams once the economic recovery becomes more certain.

Campus Renewal

The Banff Centre Revitalization project consists of two phases. Phase One of the Project covers the period December 2005 to October 2011. This phase included the construction of new kitchen and dining facilities (completed in July 2007), the new Kinnear Centre for Creativity & Innovation (completed in July 2010), the new Donald Cameron Centre - Student Support Services Building (completed in May 2010), and the new Shaw Amphitheatre (scheduled for substantial completion in July 2011), and a \$28 million increase in support for Centre programs and scholarship endowments. All Phase One projects to date have been delivered on time and on budget.

Projected to be completed in phases over a ten-year period, The Banff Centre Revitalization project will ensure that the Centre's physical infrastructure matches the excellence of its programming. The cost for the capital projects included in Phase One is \$100.0 million, while the estimated cost of the entire plan is in the order of \$238.8 million. To date, the Centre has secured funding and/or commitments for all Phase One projects — a total of \$100.0 million for capital projects, plus an additional \$28.2 million for programs and scholarships, including a \$61.0 million investment by the Government of Alberta.

Throughout the construction period, the Centre has continued to provide its full range of programming and services, and ensured that the impacts of the construction activity have been mitigated to the greatest extent possible.

Goals and Performance Measures

The Banff Centre's Four Year Business Plan (2010-2014) identified three strategic goals:

1. The Banff Centre will be nationally and internationally renowned for leadership in arts, culture, and the ideas that surround creativity.
2. Sustainability and Enterprise.
3. Campus Renewal.

The Centre assessed its progress toward achieving these goals through the following performance measures:

Goal One Measures:

- The number, diversity and calibre of program applicants from across Canada and abroad;
- The impact of commissioned works reaching beyond Banff, attracting significant national and international partners in presentation and dissemination and reaching an increased global audience;

- The percentage of participants indicating that programs have contributed positively to achieving their career goals, as evidenced by the percentage of alumni working professionally, working international, and winning awards;
- The number of jury-approved research grant proposals;
- The number and quality of donations to the permanent collection, archival and library holdings.

Goal Two Measures:

- Balanced budgets developed and achieved;
- Revenue from new or expanded sources;
- Net revenue from operations deployed toward capital investment;
- Conference activity as measured in room days, person days and net revenue contribution;
- Leadership Development activity as measured in program participation levels and net revenue contribution.

Goal Three Measures:

- Phase 1 completed on time and within the level of resources approved;
- Funds realized, either in cash or in the form of pledges, when Phase 2 is launched and, ultimately concluded.

GOAL ONE: 1. The Banff Centre will be nationally and internationally renowned for leadership in arts, culture, and the ideas that surround creativity.

Program and participants results

As a catalyst for creativity, a convener of creators and thought leaders, and a commissioner and developer of new work, The Banff Centre has added to the cultural repertoire of the country and, by extension, the world.

The fact that Centre programs have contributed positively to achieving participant career goals is substantiated by the fact that 90 per cent of Banff Centre alumni work professionally in their field which, when extrapolated to 2010-2011 data, indicates that approximately 3,730 participants from 2010-2011 programs are employed in their arts discipline. The positive contribution of Banff Centre programs is also demonstrated by the fact that 51 per cent of participants report that they have international careers, while remaining based in Canada.

The Summative Evaluation data provided by the National Arts Training Contribution Program (NATCP) for the survey Arts Program Graduates, conducted by EKOS Research, stated: "Banff Centre participants are more likely than others to have received at least one or two awards, achievements or distinctions in the past three years. Thirty-one per cent of those surveyed had received one award and 16 per cent said they had received two or more awards for a total of 47 per cent of Banff Centre alumni." Extrapolating this data, an estimated 1,948 of Banff Centre 2010-2011 alumni are likely to receive awards.

The number and quality of donations to The Banff Centre's permanent collection, archival and library holdings increased during 2010-2011 and included the commissioning of artwork for the permanent collection, and a significant donation of music to The Banff Centre library and archives.

Total enrolment in Centre programs increased in 2010-2011 over the previous year, due to the success of residencies and workshops in Theatre Arts, the Banff International Curatorial Symposium and the tri-annual Banff International String Quartet Competition. Total enrolment in arts programming was 4,144 in 2010-2011, compared to 3,832 in 2009-10, and 4,097 in 2008-09. Instability in the economy continued to impact Leadership Development program revenues, however individual program enrollments were up reflecting stronger enrollment numbers in Aboriginal leadership programs and shorter-term lower-margin custom programs. A total of 2,210 business, community, and Aboriginal leaders participated in Leadership Development programs, compared to 1,857 in 2009-10, and 2,144 in 2008-09.

New creative works

New creative works commissioned and/or developed at the Centre, disseminated through significant national and international partnerships, and reaching global audiences included:

In music:

John Adams' *String Quartet*: co-commissioned by the Centre, the Juilliard School and Stanford Lively Arts for the St. Lawrence String Quartet. *String Quartet* was performed by the St. Lawrence String Quartet in New York's Zankel Hall in March 2010 and received a rave review from the New York Times. In total, this work has received over 35 performances in North America, New Zealand, and Europe.

Ana Sokolovics' *Commedia del Arte*. Commissioned for the Banff International String Quartet Competition (BISQC) by the Centre and the Canadian Broadcasting Corporation, this work forms part of the repertoire of the winning quartet: the Cecilia Quartet. The winner's tour took the Quartet to concerts in Netherlands, Belgium, Italy, and Germany, following a performance in Toronto's Koerner Hall. The BISQC competition including performances of *Commedia del Arte*, was broadcast across Canada on CBC Radio 2, and distributed online through CBC's Concerts on Demand.

Rodney Sharman's Re-imagining *Sondheim for the Piano*. The Centre commissioned one of the 36 pieces forming *Liaisons*, a collection of new solo piano interpretations of Stephen Sondheim's songs arranged by Anthony de Mare. The work previewed in Banff and will debut in New York.

Tafelmusik's *The Galileo Project*: Co-produced by The Banff Centre and supported by a 2009 creative/production residency, The Galileo Project was performed in Toronto, Beijing, Kuala Lumpur, Malaysia, and Seoul, and will tour Australia in March 2012.

John Luther Adams' *Inuksuit*, commissioned by The Banff Centre. Commissioned in 2009, this piece was performed at Park Avenue Armory's Tune-In Music Festival in New York in February,

Patrick Cardy's *The Snow Queen*. This narrated production, was developed in a Centre residency, premiered in Banff in 2008, and performed to sold-out audiences in Ottawa and Vancouver in 2010.

Marjan Mozevitch *Lament in a Trampled Garden*. Originally commissioned for the 1992 Banff International String Quartet Competition, and recorded for the first time in 2009 by the Penderecki String Quartet, *Lament in a Trampled Garden* won a 2010 Juno Award for classical recording of the year.

Banff International Workshop in Jazz and Creative Music. Highlights of creative work accomplished include: a collaboration with Literary Arts for a live performance of poetry and jazz in The Club, 74 performances featuring over 250 new works, and 25 studio recording sessions of original music.

In opera/music theatre:

Lillian Alling. Co-produced by the Centre and Vancouver Opera, this new Canadian opera was workshopped and rehearsed at the Centre. The *Lillian Alling* set was also built at The Banff Centre, providing invaluable professional development opportunities for theatre work studies.

Air India Workshop. This work, based on the Air India tragedy, was co-commissioned by the Centre, Cork Midsummer Festival, and The Push Festival. The creative team completed a six-day residency at the Centre, working with Opera as Theatre participants.

The Last King of Scotland. Composer Stephen McNeff and author/librettist Giles Foden participated in a five-day workshop with Opera as Theatre participants for the new opera based on Foden's book *The Last King of Scotland*.

Innocence. This new musical theatre piece by Jonathon Dove, to be produced on Broadway, was workshopped at the Centre for Bill Haber of New York's Ostar Enterprises.

Hard Core Logo: LIVE. The Centre supported a residency for this new musical theatre work by Touchstone Theatre in collaboration with November Theatre and Theatre Network, supported by the British Columbia Performing Arts Council, and performed in Edmonton and Vancouver.

Anyone can see I love you. The Centre supported a creation/production residency for this new opera by composer Gavin Bryars, featuring Faroese singer Eivor and the Aventa Music Ensemble, supported by the British Columbia Performing Arts Council.

Bittergirl and LouLou the Acrobat. The Centre continues to support the development of these two new lyric theatre works, in partnership with GingerCat Productions.

In dance:

Face to Face. Choreographer Kevin O'Day, the first recipient of the Centre's Koerner Distinguished Artist Award, premiered his new work, *Face to Face*, as part of The Banff Centre's Professional Dance Program. *Face to Face* was part of Ballet BC's season, and was performed again in Germany by Ballet Mannheim.

Full Bloom. Kevin O'Day's new work *Full Bloom*, created in residency at the Centre, was presented at the Young Centre for the Performing Arts in Toronto in December.

Under the Skin. Supported by a 2010 creation/production residency, Wen Wei Wang's *Under the Skin* was performed in Edmonton, Vernon, Vancouver, Halifax, and Calgary.

Love Lies Bleeding. Alberta Ballet undertook a two-week production residency to integrate the design and technical elements for a new work about Elton John's life titled *Love Lies Bleeding*. The Centre built and produced most of the costumes for this production, providing exceptional professional development opportunities for costume work studies.

Firebird. Winner of the 2011 Alcan Award and supported by a Banff Centre British Columbia Arts Council Residency, this new dance work by choreographer Simone Orlando was performed at Vancouver's East Cultural Centre.

In drama:

Banff Playwrights Colony. 18 theatre projects from across Canada were supported during this annual program, including the Centre-commissioned *Armstrong's War*, by Colleen Murphy.

In visual arts:

Brian Jungen. *The ghosts on top of my head*. Supported by a donation from Doug, Linda, Sarah, and Ian Black, this new sculpture by internationally renowned artist and Centre alumnus Brian Jungen was commissioned by The Banff Centre.

Mark Clintberg, *Meet Me in the Woods*. Co-commissioned by The Banff Centre and the Alberta Foundation for the Arts, this new work was unveiled in May 2010.

Ron Terada: *Who I Think I Am*. This Walter Phillips Gallery exhibition featured 11 new works by Ron Terada created for the exhibition, and the accompanying *Soundtrack for An Exhibition* (2010). It was organized in collaboration with Ikon Gallery, Birmingham, UK; the Justina M. Barnicke Gallery, Hart House, University of Toronto, Canada, The Banff Centre, and supported by the British Columbia Arts Council.

Popular Unrest, 2010. London-based Toronto-born artist Melanie Gilligan's work, *Popular Unrest, 2010*, was co-commissioned by Chisenhale Gallery, London; Kolnischer Kunstverein, Cologne; Presentation House Gallery, North Vancouver; and The Banff Centre.

God's Dice. Vancouver-based artist, Geoffrey Farmer was commissioned by the Centre to create a new work, *God's Dice*, working with residents in the Visual Arts Thematic Residency. It was re-mounted by Red Cat Gallery, part of the Disney Concert Complex in Los Angeles.

Silke Otto-Knapp's *Lilac Garden*. A public commission for London's Sadler's Wells Theatre, the piece was completed at The Banff Centre.

In literary arts:

BOULDERPAVEMENT. Two issues of this on-line journal of art and ideas were published, featuring new works in various art forms.

Breaking Barriers. A collaboration between Literary Arts and the Banff International Research Station for Mathematical Innovation and Discovery, this event presented new readings and a panel discussion.

Approximate Directions to a Burial. This article by Dave Cameron was written in the Literary Journalism program and was so credited when published in the December issue of *The Walrus*.

In Aboriginal arts:

Tono a Red Sky production. Co-commissioned by The Banff Centre and Red Sky Performance, *Tono* was a featured Canadian presentation at the World Expo in Shanghai, China in May and opened the Aboriginal Achievement Awards in Edmonton.

Kisageetin. This cabaret-style musical theatre work was written and composed by Tomson Highway, refined during a Banff Centre residency, and presented in The Club.

Songs Above the Treeline CD. Produced by The Banff Centre, this CD features music from the Diverse as This Land program.

Calling All Warriors. Dene artist Leela Gilday's new CD, *Calling All Warriors*, was supported by a four-week Paul D. Fleck Fellowship residency during which she composed new material for this release.

In new/digital media:

Blast Theory, *A machine to see with*. *A machine to see with* was the first Locative Cinema Commission awarded by The Banff Centre in conjunction with the Sundance Film Festival and the 01 San Jose Biennial. The new work premiered at the 01SJ Biennial in San Jose, and was presented in Sundance, Minneapolis, Brighton, England, and in Banff.

Searching for Hjetna. This HD film was shot in Iceland by Scottish Arts Council-funded artist Rory Middleton. Editing, mixing, and soundtrack were completed at the Centre.

Women in the Director's Chair. Through the Women in the Director's Chair program, a partnership with ACTRA and the Creative Women's Workshop, eight film projects were developed at The Banff Centre.

Banff Mountain Film Festival World Tour. Curated at the Centre, this festival presented 660 screenings in 34 countries in 2010-2011, with new screenings added in Spain.

iTunes outreach. 173,664 files of performances and/or talks produced at the Centre were downloaded or accessed online at **The Banff Centre on iTunesU**.

Number of research grant proposals awarded

Film & Media

AACTI (Alberta Association of Colleges and Technical Institutes)	\$65,000
<ul style="list-style-type: none"> Faculty Mentored Student Innovation Projects Technology Broker Program 	

Alberta Innovates Technology Futures Innovation Pilot Program	\$50,000
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SSHRC (Social Sciences and Humanities Research Council)	\$50,000
<ul style="list-style-type: none"> Image, Text, Sound and Technology Program 	

Literary Arts Science Communications Program

<ul style="list-style-type: none"> Alberta Innovates – Technology Futures CFI (Canadian Foundation for Innovation) NSERC (Natural Science and Engineering Research Council) 	\$10,000 \$20,000 \$20,000
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GOAL TWO: Sustainability and Enterprise

The Banff Centre is accountable for generating 71% of its annual operating revenue. Through an ongoing assessment of its business model the Centre has been working to maximize revenues and streamline expenditures. Performance in sustainability and enterprise for 2010-2011 is as follows:

1. For the 2010-2011 fiscal year, the Centre achieved a small excess of revenue over expenditure of \$291,000.
2. *Revenue from new or expanded sources* — with significant erosion in revenue streams continuing through 2010-2011, the Centre focused on maximizing revenue sources whenever possible. Some areas experienced increased revenue including Programming and Mountain Festivals and new funding sources supported Literary Arts, Aboriginal Arts, Theatre Arts, and Leadership Development.
3. Net revenues from operations deployed to capital reinvestment — net revenue from operations deployed to capital projects was \$1.3 million.
4. Conference activity — conference activity stabilized in 2010/11 however it is still below previous pre-economic downturn levels.

GOAL THREE: Campus Renewal

All projects are on time and on budget.

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 Canadian generally accepted accounting principles and are expressed in Canadian dollars.

The Centre has reported a \$291,000 excess of revenue over expense for the year ended March 31, 2011 (2010 - \$119,000). Over the year, total revenue increased by \$2.5 million to \$54.2 million, and total expenses increased by \$2.3 million to \$53.9 million.

The increase in revenue reflects a higher utilization of restricted grants and donations to fund special purpose programming and additional facilities maintenance expenditures in 2011. Earned revenues from conference and leadership development activities remain stable but are substantially below the high mark in 2008, representing the impact a downturn in the economy has had on the Centre over the past two years. The increase in expenditures also reflects the special purpose activities in 2011, with base operating costs continuing at the 2010 level.

This MD&A provides an overview of the results the Centre achieved in 2011 with a detailed discussion and analysis of the Centre's:

1. Business Planning and Management
2. Financial / Budget Information
3. Areas of Significant 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.

2. FINANCIAL / BUDGET INFORMATION

Revenue

Total revenue increased by \$2.5 million to \$54.2 million from the \$51.7 million level achieved in 2010. The following table shows the composition of the Centre's total revenue for the year ended March 31, 2011 with comparative information for 2010 and 2009.

Consolidated Revenue	(in thousands of dollars)		
	Year Ended Mar 31, 2011	Year Ended Mar 31, 2010	Year Ended Mar 31, 2009
Grants	\$ 19,905	\$ 19,093	\$ 18,329
Accommodations	10,452	10,683	12,237
Other sales, rentals and services	10,936	10,182	10,724
Donations and other contributions	5,941	4,785	6,102
Tuition and related fees	4,018	3,799	5,654
Amortization of deferred expended capital contributions	2,405	2,426	2,441
Investment income	492	694	547
Total Revenue	\$ 54,149	\$ 51,662	\$ 56,034

In 2011, the base operating grant of \$15.9 million provided by Alberta Advanced Education and Technology and the base programming grant of \$1.8 million from the Government of Canada were both unchanged from 2010. While restricted funding increased for special purpose activities, slowdowns in the conference and leadership development areas have directly and indirectly reduced the level of revenue from accommodation rentals, food and beverage sales, and tuition fees from Leadership Development participants. Increases in tuition fees from Arts Programming participants are largely offset by correspondingly higher levels of expense for financial assistance.

Expense

Total expense increased by \$2.3 million from \$51.6 million in 2010 to \$53.9 million in 2011. The following table shows the composition of the Centre's total expense for the year ended March 31, 2011 with comparative information for 2010 and 2009.

Consolidated Expense	(in thousands of dollars)		
	Year Ended Mar 31, 2011	Year Ended Mar 31, 2010	Year Ended Mar 31, 2009
Salaries, wages and benefits	\$ 29,043	\$ 28,955	\$ 30,044
Change in employee future benefit obligation	88	781	130
Materials, goods and supplies	3,958	4,029	4,779
Amortization of capital assets	3,743	3,759	3,774
Scholarships and financial assistance	3,238	3,604	3,882
Purchased services	4,116	3,273	3,336
Facility operations and maintenance	3,080	1,721	2,858
Utilities	1,784	1,627	1,875
Travel, Training and related costs	1,824	1,312	1,844
Rentals and equipment	1,070	955	1,176
Marketing and recruitment	1,101	621	827
Financial costs	817	919	675
Loss (gain) on disposal of capital assets	(4)	(13)	3
Total Expense	\$ 53,858	\$ 51,543	\$ 55,203

To align with the level of earned revenue, the Centre is employing a number of expense reduction and cost containment strategies. This resulted in a leveling of the Centre's single largest cost category - salaries, wages and benefits - and more modest decreases in most other cost categories for 2011.

Facility operations and maintenance costs increased due to the completion of new projects during the year and slightly higher utility costs reflecting 2011 rate increases.

The Centre also recorded an increase in its portion of the unfunded liability related to the Universities Academic Pension Plan. The expense for 2011 is \$88,000 which is shown as an increase in the "change in employee future benefit obligation" cost category.

Budget to Actual

A balanced operating budget of \$52.5 million for the fiscal year 2010-11 was approved by the Board of Governors. Revenues and expenses were greater than budget by \$1.6 million and \$1.3 million respectively, resulting in an excess of revenue over expenses of \$291,000.

Revenue and expenses increased in the 2010-11 fiscal year, due primarily to the utilization of restricted grants and donations for special purpose activities. Other operating revenues and expenditures reflected budgeted levels.

Financial Position

Net assets

The Centre's net asset balance at March 31, 2011 totaled \$36.7 million, which is an increase of \$3.5 million for the fiscal year. The net asset balance is reported in two major categories:

Unrestricted Net Assets

Unrestricted net assets increased by \$277,000 to \$17.2 million from \$16.9 million in 2010. Included in unrestricted net assets is \$24.4 million (2010 - \$17.5) representing the Centre's investment in capital assets and collections.

The balance of unrestricted net assets for employee future benefits totaled a negative \$2.2 million in 2011. This represents the Centre's estimated share of the Universities Academic Pension Plan unfunded liability (negative \$2.1 million in 2010).

Endowment

Net assets restricted for endowment purposes increased by \$3.3 million to \$21.7 million from \$18.4 million in 2010. The increase is the result of investment income of \$0.7 million, realized and unrealized gains of \$0.8 million, new contributions of \$2.4 million and a distribution of earnings for spending of \$0.6 million.

3. AREAS OF SIGNIFICANT 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 31st, 2011 the estimated funding deficiency of the Plan is \$993 million. During the year, the Centre's portion of the liability increased by \$0.1 million to \$2.2 million from \$2.1 million 2010. Based on an extrapolation of the latest actuarial valuation it is estimated there will not be a significant change in the funding deficiency for 2012.

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 Province of Alberta and internal resource reallocation whenever possible. With the completion of the Kinnear Centre and the Donald Cameron Centre in 2010-11, the deferred maintenance backlog is reduced by \$15.0 million. Wherever possible, the Centre addresses deferred maintenance as part of other capital projects within the existing building inventory.

Technology

A key component of the Centre's Strategic Plan "Towards 2020" is the strategic use of technology. A technology task force has been established to develop a plan for an interactive online presence. Significant resources beyond the Centre's current level of funding will be required to bring the plan to fruition.

Economy

Global economic conditions have adversely impacted the Centre over the past two 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 bookings and leadership development revenue. For both of these areas, revenues have stabilized and are expected to gain some forward momentum as general economic conditions improve.

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. Over the past two years, endowment investments have generated only modest returns. Earnings potential is expected to improve with current market trends producing positive results and recent gains restoring some of the erosion in market values from previous years. As of March 31st, 2011, the market value of the Centre's endowment funds exceeded the book value by \$497,000 (2010 - \$76,000). The elimination of the payment of matching funds from the Access to the Future Fund may well create a risk factor in attracting new donations.

Provincial funding and tuition fees

The Centre's Consolidated Institutional Plan assumes that there will be no increase in the provincial base operating and deferred maintenance grants for the next three fiscal years. The Government of Alberta Tuition Fee Policy establishes the maximum amount tuition fees can be increased each year. For the 2011 and 2010 fiscal years that maximum was 1.5%. 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

Over the past year, capacity utilization has stabilized. The Centre supported 553 full-time learning equivalents (FLEs) in 2010-11 and expects this level to be maintained in the short term. In the longer term as Conference and Leadership Development revenues recover, our FLEs will be increased to the extent that the capacity of the Centre's facilities permits. Conference activity is starting to show signs of minor improvement and Leadership Development programming is anticipating modest net revenue gains in 2012.

Salaries and benefits

Management and professional staff salaries have been frozen for the next fiscal year. The current agreement with the Canadian Union of Public Employees, which represents the Centre's support staff, expires on December 31st, 2011. Preliminary contract discussions are underway. The salary freeze creates a risk both in terms of potential loss of highly skilled employees and in terms of a potentially unmanageable pent-up demand for salary increases once the freeze is lifted.

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.

Two major campus redevelopment projects totalling \$75.0 million were completed during 2011 -- the Kinnear Centre for Creativity and Innovation (\$63.4 million) and the Donald Cameron Centre (\$11.6 million).

Following the demolition of Donald Cameron Hall in the spring of 2011, the Centre's began construction of the new 1600-seat Shaw Communications Inc. Outdoor Amphitheatre which will open in July 2011.

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

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The Banff Centre is honoured to recognize the following supporters for making a contribution of \$1,000 or more during the past fiscal year (April 1, 2010 to March 31, 2011). Donors with a current multi-year pledge are listed according to their total pledge amount.

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Sandy and Cécile Mactaggart
Gerald and Anna Maier
Norman and Sandra Marenych
John McCall
Peter and Pat Menzies
Dave and Roxanne Miller
Jack and Anne Mirtle
Lynda and Breon Mitchell
David Miyauchi and Mary Elizabeth MacRae
Alan and Geri Moon
J. Sherrold and Patricia Moore
Norbert and Patricia Morgenstern
Ted and Bambi Morton
Derek and Sherri Neldner
Patricia and Kevin Neveu
Nick Nissley and Elise Ballinger
Candice Noakes
Michael and Janet Norris
Murray Malley and Jacqueline Nowak
Chip and Jim Olver
Bruce and Branca Pachkowski
Ödön and Yvonne Panek
Judy and Gordon Paterson
Robert and Patricia Peabody
Ian Perowne
Phil and Arlene Ponting
Erik and Arlene Quackenbush
Sarah Raiss and Danny Dalla-Longa
Donald Rees and Donna Scott Rees
Kelly Robinson
Robert Rombough
Tamara Ross
John D. Schlichting
Donald R. Seaman
Shauna Lee Selezinka
Mary and Richard Shaw, QC
Clarice A. Siebens
Grant and Elsie Smith
Myron and Jennifer Stadnyk
Carolyn and David Tavender, QC
Mary Tidlund
William and June Tye
Frances and Raul Urtasun
Ron and Norma Westcott
William Williams
Andrew and Nancy Wiswell

Shirley Wolfe
Ralph and Gay Young
Anonymous (3)

Corporations

Banff Lodging Co.
The Bison Courtyard
CFMS Alberta Ltd.
Diamond and Schmitt Architects Inc.
FirstEnergy Capital Corp.
Grenville-Germain Calgary L.P.
The Juniper Hotel
Kicking Horse Coffee Company
Live Out There
Marathon PGM Corporation
Pages on Kensington
Potash Corporation of Saskatchewan Inc.
Rab
Sole
Target Project Management Inc.
Yamnuska Mountain Adventures

Foundations and Other Organizations

Alberta Sport, Recreation,
Parks and Wildlife Foundation
Canadian Federation of University Women
Canadian Union of Public Employees -
Local 4318
Harry & Martha Cohen Foundation
Hicks Memorial Fund at
The Calgary Foundation
Jackman Foundation
The Jeffrey and Marilyn McCaig
Family Foundation
Ken Page Memorial Trust
Mactaggart Third Fund
Peter & Dorothea Macdonnell Fund at
Edmonton Community Foundation
Whyte Museum of the Canadian Rockies
The William and Nona Heaslip Foundation
Anonymous (1)

GIFTS IN KIND

Individuals

Ed Bamiling
Franca & Peter Bellusci
Peter Blattmann, The Traveling Gourmet
Wendy Brownie
Russell Cameron
Cathy, Victor & Dominic Caracciolo
Chris Cran
In Memory of Ilona Diener
Amy Dryer
Heather and N. Murray Edwards
Jean Fosbrooke
Barb Fyvie
Henk Guittart
Tim Hamilton, Odgers Berndtson
Paul Hardy
Colette Hubner
Heidi Hubner
Geoffrey Hunter
Kevin Kanashiro
Ajai Lakhanpal
Malcolm Lim
Jens Lindemann
Kevin & Doré Meyers
Erica Molinari
Ron Moppett
Angela Morgan
Geoff Powter
Craig Richards
Bev Rodin
Glen and Ann Sather and Family
George and Rosalie Schwarz
Ryan Sluggett
Janice Tanton
Paul Van Ginkel
Wendy Wacko
Diane Way
Barry Weiss
Tom Willock and Susan Sax-Willock
Andrew and Nancy Wiswell

Corporations

Alberta Ballet
Avid
AVW-Telav
Axis Gallery
Backroads
Banff Airporter
Banff Crag & Canyon
Batstar
Bavin Glassworks
Bexel
BKDI Architects
Broadcast Systems & Equipment

Calgary Herald
Canada House Gallery
CodaBow International Ltd.
CBC Radio - Canada
Christie Digital
ConocoPhillips Canada
Diana Paul Galleries
Elevation Gallery
Erin Fetherston
Explore Magazine
The Fairmont Banff Springs
The Fairmont Southampton
Fairmont St. Andrews
Fairmont Zimbali Lodge
Gibson Fine Art
Halley's Camps Inc.
Harmon Gallery
Herringer Kiss Gallery
Holt Renfrew
House of Persian Rugs
Inspirati
J. Vair Anderson Jewellers
Jarvis Hall Fine Frames
M Private Residences
Marchesa
Masters Gallery Ltd.
Matrix Video Communications
Mercato
Merlo Vinoteca
Mountain Galleries at the Fairmont
- Banff Springs Fine Art
Mount Royal Hotel
Nature Encounters Travel & Tours
The Oberoi Group
Panasonic
Paul Kuhn Gallery
Post Hotel & Spa
Red Tree Catering
Rush Restaurant
Seven24 Productions
Singinawa Jungle Lodge
Ski Banff Lake Louise Sunshine
Sonora Resort
Sony
Stonewaters Home Elements
Telus
TePapaNui Antiques & Collectibles
TrépanierBaer
Unlimited Video Staging
Vitec
Wallace Gallery
Weiss Gallery
Wilder et Davis Luthiers Inc.
Willock & Sax Gallery
Willow Park Wines & Spirits
World Wide Specialty Foods Ltd.

GOVERNMENT/PUBLIC/ COMMUNITYPARTNERS

Government of Alberta

Access to the Future Fund
Alberta Advanced Education and Technology
Alberta Culture and Community Spirit
Alberta Foundation for the Arts
Alberta Innovates-Technology Futures
Community Initiatives Program

Government of Canada

Canadian Heritage
Canada Arts Presentation Fund
Canada Arts Training Fund
Canada Cultural Investment Fund
Celebrate Canada Program
Canada Cultural Spaces Fund
Infrastructure Canada – Building Canada Fund
Parks Canada

PUBLIC / COMMUNITY PARTNERS

Alberta Association of Colleges & Technical
Institutes
Access Copyright
Archives Society of Alberta
Alberta Rural Development Network
The Banff Community Foundation
Canada Council for the Arts
Canadian Art Foundation
Canadian Foundation for Innovation
Community Foundation of Ottawa
Conseil des Arts et des lettres du Quebec
Consulate General of France, Vancouver
Consulate General of Switzerland
Creative New Zealand
Edmonton Community Foundation
Fondo Nacional para la Cultura y las Artes
(FONCA), Mexico (National Fund for Culture
and Arts)
Natural Science & Engineering Research
Council
Royal Norwegian Consulate
Rural Alberta Development Fund
Scottish Arts Council
Siksika First Nation Development Fund
Social Sciences & Humanities Research Council
of Canada
United Way of Greater Toronto

* Deceased

Every effort has been made to ensure

this list is accurate. If a name has
been omitted or misspelled, please
accept our apologies and let us know
so we can correct our records.

Charitable Registration Numbers:
Canada 11921 4955 RR0001,
United States 98-0078729

For more information about
supporting The Banff Centre, please
contact the Development Office:
403-762-6217 or 1-888-495-4467
email: support@banffcente.ca

The Banff Centre is supported by
funding from the Government of Alberta,
through Alberta Advanced Education
and Technology, Alberta Infrastructure,
and the Alberta Foundation for the Arts.
Arts programs are supported by funding
from the Government of Canada through
the Canada Council for the Arts, and
the Department of Canadian Heritage
through the Canada Arts Training Fund.

Financial Statements of

THE BANFF CENTRE

March 31, 2011 and 2010

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, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
May 24, 2011


Chartered Accountants

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, 2011, and the consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

THE BANFF CENTRE

Consolidated Statement of Financial Position

As at March 31, 2011


(in thousands of dollars)

	As at March 31, 2011	As at March 31, 2010
Assets		
Current assets		
Cash	\$ 319	\$ 3,630
Short-term investments (Note 3)	4,565	14,901
Accounts receivable	3,204	5,244
Pledges receivable	4,341	6,283
Inventories	395	424
Prepaid expenses	323	75
	<u>13,147</u>	<u>30,557</u>
Notes receivable and deferred charge (Note 4)	677	679
Long-term pledges receivable	7,950	10,476
Endowment and other investments (Note 3)	21,843	18,529
Capital assets and collections (Note 5)	143,543	128,640
	<u>\$ 187,160</u>	<u>\$ 188,881</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,096	\$ 8,658
Accrued vacation pay	1,498	1,434
Unearned revenue and deposits (Note 6)	1,463	1,772
Deferred contributions (Note 7)	6,433	6,078
Current portion of long-term debt (Note 8)	288	287
	<u>11,778</u>	<u>18,229</u>
Long-term debt (Note 8)	1,444	1,727
Employment related liabilities (Note 9)	240	732
Employee future benefit obligation (Note 10)	2,159	2,071
Long-term deferred contributions (Note 7)	17,470	23,778
Deferred expended capital contributions (Note 11)	117,406	109,175
	<u>150,497</u>	<u>155,712</u>
Net assets		
Unrestricted (Note 12)	17,160	16,883
Unrestricted - employee future benefits (Note 12)	(2,159)	(2,071)
Endowments (Note 13)	21,662	18,357
	<u>36,663</u>	<u>33,169</u>
	<u>\$ 187,160</u>	<u>\$ 188,881</u>

Signed on behalf of the Board of Governors:



Chair, Board of Governors



President and Chief Executive Officer

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

THE BANFF CENTRE

Consolidated Statement of Operations and Changes in Net Assets

For the year ended March 31, 2011

(in thousands of dollars)

	Year Ended March 31, 2011	Year Ended March 31, 2010
Revenue		
Accommodations	\$ 10,452	\$ 10,683
Grants (Note 14)	19,905	19,093
Other sales, rentals and services	10,936	10,182
Tuition and related fees	4,018	3,799
Donations and other contributions	5,941	4,785
Investment income	492	694
Amortization of deferred expended capital contributions (Note 11)	2,405	2,426
	<u>54,149</u>	<u>51,662</u>
Expense		
Salaries, wages and benefits (Note 15)	29,043	28,955
Change in employee future benefit obligation	88	781
Purchased services	4,116	3,273
Materials, goods and supplies	3,958	4,029
Scholarships and financial assistance	3,238	3,604
Facility operations and maintenance	3,080	1,721
Utilities	1,784	1,627
Travel, training and related costs	1,824	1,312
Rentals and equipment	1,070	955
Marketing and recruitment	1,101	621
Financial costs	817	919
Amortization of capital assets	3,743	3,759
Gain on disposal of capital assets	(4)	(13)
	<u>53,858</u>	<u>51,543</u>
Excess of revenue over expense	291	119
Internally designated funds for endowments	(102)	-
Internally designated funds for capital acquisitions	(105)	-
	<u>84</u>	<u>119</u>
Excess of revenue over expense, net of transfers		
Net assets, beginning of year	33,169	27,262
Endowment contributions and other transfers	2,357	3,865
Endowment earnings retained in the fund	525	59
Endowment unrealized appreciation	423	1,864
Internally designated funds for capital acquisitions	105	-
Net assets, end of year	<u>\$ 36,663</u>	<u>\$ 33,169</u>

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, 2011

(in thousands of dollars)

	Year Ended March 31, 2011	Year Ended March 31, 2010
Cash flows from (used in) operating activities		
Excess of revenue over expense	\$ 291	\$ 119
Non-cash transactions:		
Amortization of deferred expensed capital contributions	(2,405)	(2,426)
Amortization and gain on disposal of capital assets	3,739	3,746
Change in notes receivable and deferred charge	2	4
Change in employment related liabilities	64	127
Change in long-term employee future benefit obligation	88	781
(Gain) Loss on natural gas storage investment	(9)	5
Changes in:		
Non-cash working capital (Note 16)	(5,748)	(1,051)
Employment related liabilities	(278)	-
Deferred contributions and pledges receivable	106	2,583
Net cash from (used in) operating activities	<u>(4,150)</u>	<u>3,888</u>
Cash flows from (used in) investing activities		
Acquisition of capital assets	(18,160)	(34,751)
Endowment earnings retained in the fund	525	59
Disposition of short-term investments	10,336	7,548
Acquisition of long-term investments	(2,882)	(3,920)
Net cash used in investing activities	<u>(10,181)</u>	<u>(31,064)</u>
Cash flows from (used in) financing activities		
Capital and other deferred contributions	6,425	19,881
Pledges receivable	2,622	2,336
Debt principal repayments	(282)	(288)
Endowment contributions	2,255	3,865
Net cash from financing activities	<u>11,020</u>	<u>25,794</u>
Decrease in cash	(3,311)	(1,382)
Cash, beginning of year	<u>3,630</u>	<u>5,012</u>
Cash, end of year	\$ <u>319</u>	\$ <u>3,630</u>
Supplementary information:		
Cash interest paid	<u>\$ 82</u>	<u>\$ 82</u>

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

THE BANFF CENTRE

Notes to the Consolidated Financial Statements

As at March 31, 2011

(tabular amounts in thousands of dollars)

Note 1 Authority and Purpose

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 payment of 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

(a) *General - GAAP and Use of Estimates*

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations, known as GAAP. 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 capital assets, 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 these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

(b) *Consolidated Financial Statements*

The financial statements are prepared on a consolidated basis and include the accounts of The Banff Centre Foundation.

(c) *Financial Instruments*

Financial instruments are recognized at fair value when acquired. Measurement in subsequent periods depends upon the classification of financial instruments as held for trading, loans and receivables, or other financial liabilities. Items classified as held for trading are adjusted for changes in fair value which are recognized in income in the period in which they arise; items classified as loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method.

Note 2 Summary of Significant Accounting Policies and Reporting Practices continued

Financial instruments are comprised of cash, short-term investments, accounts receivable, notes receivable, pledges receivable, endowment and other investments, accounts payable and accrued liabilities, accrued vacation pay, employment related liabilities and long-term debt, which includes obligations under capital leases. Notes, pledges and accounts receivable are classified as loans and receivables and carried at amortized cost, which approximates fair value. At each consolidated statement of financial position date, these financial assets are assessed for impairment and the amount of any loss is measured as the difference between the carrying amount of the asset and its fair value and recorded in the statement of operations. All other financial assets are carried at fair value as these assets are held for trading. All financial liabilities are classified as other liabilities and carried at amortized cost, which approximates fair value. As permitted for Not-for-Profit Organizations, the Centre has elected not to apply the standards of CICA Handbook Sections 3862 and 3863 and the Centre has elected to continue to follow CICA Handbook Section 3861.

Credit, Interest Rate and Market Risk - The Centre's accounts receivable and pledges receivable are subject to normal credit risks due to the nature of the Centre's customers and donors. The carrying values of these receivables reflect management's assessment of the credit risk associated with these customers and donors. A portion of the Centre's endowment and short-term investments are exposed to fluctuations in interest rates. The Centre's foreign currency holdings and long-term investments are subject to market risk. The Centre does not hold any derivative investments or asset-backed securities in its investment portfolios.

(d) 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.

(e) Pledges Receivable

Pledges receivable are recorded as assets when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

(f) Capital Assets

Capital assets purchased are recorded at cost. In-kind contributions are recorded at fair value when a fair value can be reasonably determined. Capital assets, except property under development and the artwork collection, 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
Furnishings and equipment	5-10 years
Computer equipment	4 years

Artworks are recorded at cost if purchased or at the appraised value at the time of donation. The artwork collection is made up of numerous pieces of art that are held for display in the Walter Phillips Gallery and other public areas of the Centre. Artworks are not amortized.

Note 2 Summary of Significant Accounting Policies and Reporting Practices continued

(g) Revenue Recognition

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. Accommodations, investment income and other sales, rentals and services are recognized as revenue when earned.

The Centre follows the deferral method of accounting for contributions.

Externally restricted non-capital contributions are deferred and are 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.

Externally restricted capital contributions are recorded as deferred contributions until the amount is 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.

Unrestricted contributions are recognized as revenue when received.

Donations of materials that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

(h) Scholarships and Financial Assistance

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

(i) Foreign Currency Translation

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are translated at the previous month end exchange rate. Gains or losses from these translations are included in financial costs.

(j) Endowment and Other Investments

Endowment and other investments are classified as held for trading and stated at fair value. Fair values are determined based on quoted market prices at year-end. Realized gains and losses and unrealized appreciation and depreciation of endowment investments are reflected in the statement of changes in net assets. Realized and unrealized gains and losses on other investments are recognized in revenue.

Note 2 Summary of Significant Accounting Policies and Reporting Practices continued

(k) 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.

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 pre-determined amounts that are expected to provide the plan's respective future benefits.

(l) Contributed Services

Volunteers as well as members of the staff of the Centre contribute an indeterminable number of hours per year to assist the Centre in carrying out its mission. Such contributed services are not recognized in these financial statements.

(m) Capital Disclosures

As a Not-For-Profit Organization, the Centre operates under a framework established by the Post-Secondary Learning Act of the Province of Alberta, which includes capital restrictions imposed on the institution. The Centre defines its capital as the amounts included in its deferred contribution and net asset balances. The Centre's objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to support education and service delivery to the Centre's community and other stakeholders.

A portion of the Centre's capital is externally restricted and must meet certain requirements. The Centre has restricted capital balances in deferred contributions, deferred expended capital contributions (Note 11) and investment earnings from endowments (Note 13). The Centre has internal control processes to ensure the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

Management and the Board of Governors carefully consider fundraising campaigns, grants, sponsorship and investment income to ensure that sufficient funds will be available to meet the Centre's short and long-term objectives. The Centre monitors its financial performance against an annual budget. In the event that revenues decline or there are forecasted operating deficits, management will reduce costs to minimize operating expenditures.

Note 2 Summary of Significant Accounting Policies and Reporting Practices continued

(n) Future Accounting Changes

The Public Sector Accounting Board of the CICA (PSAB) has issued a framework for financial reporting by government not-for-profit organizations. The framework includes the 4400 series of standards from the CICA Handbook – Accounting, which have been incorporated into the Public Service Accounting (PSA) handbook as PS 4200 series of standards. This framework will be effective April 1, 2012. Government not-for-profit organizations may choose to apply either PS 4200 series of standards plus the PSA Handbook; or PSA handbook without the PS 4200 series of standards. At this time no decision has been made by the Government of Alberta regarding the application of these standards to post-secondary institutions in the Province. Once a decision has been made, the Centre will identify the differences in standards that will impact the financial statements and quantify the differences. The Centre will also determine whether any specific exemptions and exceptions applicable to the first time adoption of new standards by government not-for-profit organizations will be applicable to the Centre.

Note 3 Short-Term Investments, Endowments and Other Investments

Short-term

Short-term investments carried at fair value include Canadian and US dollar money market funds, Treasury Bill funds and Guaranteed Investment Certificates.

Long-term

	2011		2010	
	Market Value	Cost	Market Value	Cost
Cash and cash equivalents	\$ 666	\$ 668	\$ 233	\$ 233
Government bonds	662	666	723	727
Corporate bonds	6,993	6,971	6,243	6,147
Equities	13,738	13,257	11,164	11,180
	<u>22,059</u>	<u>21,562</u>	<u>18,363</u>	<u>18,287</u>
Endowment earnings and other receivables	<u>(397)</u>	<u>(397)</u>	<u>(6)</u>	<u>(6)</u>
Endowment investments	21,662	21,165	18,357	18,281
Other investments	181	337	172	337
	<u>\$ 21,843</u>	<u>\$ 21,502</u>	<u>\$ 18,529</u>	<u>\$ 18,618</u>

Note 4 Notes Receivable and Deferred Charge

In prior years, the Centre advanced a total of \$672,800 to Rocky Mountain Cooperative Housing Association (the "Cooperative") for the right to lease 42 accommodation units through December 2019. 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, repayable in 2019. Commitments under these operating leases are included in Note 8 - Long-Term Debt and Commitments.

The notes receivable are discounted to a present value of \$450,879 (2010 - \$430,721). The discount is amortized using the effective interest method. The deferred charge of \$199,858 is amortized over the lease period.

Note 5 Capital Assets and Collections

	2011			2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land improvements	\$ 2,722	\$ 2,414	\$ 308	\$ 2,722	\$ 2,371	\$ 351
Buildings and improvements	171,810	41,222	130,588	97,406	38,845	58,561
Furnishings and equipment	20,431	14,798	5,633	27,578	21,576	6,002
Computer equipment	1,016	234	782	593	86	507
Artwork collection	1,278	-	1,278	1,214	-	1,214
Property under development	4,954	-	4,954	62,005	-	62,005
	<u>\$ 202,211</u>	<u>\$ 58,668</u>	<u>\$ 143,543</u>	<u>\$ 191,518</u>	<u>\$ 62,878</u>	<u>\$ 128,640</u>

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

Included in furnishings and equipment as at March 31, 2011 is net book value of approximately \$152,000 related to assets under capital lease (2010 - \$191,000).

Note 6 Unearned Revenue and Deposits

	2011	2010
Accommodation deposits	\$ 818	\$ 1,229
Other sales and services	645	543
	<u>\$ 1,463</u>	<u>\$ 1,772</u>

Note 7 Deferred Contributions

	2011	2010
Deferred contributions, beginning of year	\$ 29,856	\$ 40,126
Contributions:		
Operating	1,267	8,297
Capital and other	6,425	19,881
Distributed endowment earnings	646	591
Transferred to operations:		
Grants and contributions	(3,221)	(2,374)
Endowment earnings utilized	(434)	(650)
Transferred to deferred expended capital contributions (Note 11)	(10,636)	(36,015)
Deferred contributions, end of year	\$ 23,903	\$ 29,856
Current portion of non-capital deferred contributions	(6,433)	(6,078)
Long-term deferred contributions	<u>\$ 17,470</u>	<u>\$ 23,778</u>
Deferred contributions are comprised of:		
Operating	\$ 12,548	\$ 13,292
Capital and other	11,355	16,564
	<u>\$ 23,903</u>	<u>\$ 29,856</u>

Note 8 Long-Term Debt and Commitments

Long-Term Debt

	2011	2010
Term loan - Professional Development Centre	\$ 1,594	\$ 1,835
Capital leases	138	179
	1,732	2,014
Less: debt due within one year	(288)	(287)
Long-term debt	<u>\$ 1,444</u>	<u>\$ 1,727</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. Interest is at 3.79% per annum.

In January 2010, the Centre entered into a capital lease for new theatre lighting. The lease is for a 48-month period ending in January 2014 and has an implicit interest rate of 4.11% per annum. The payments are approximately \$4,000 per month.

Interest expense on long-term debt for the years ended March 31, 2011 and 2010 was \$81,597 and \$81,595, respectively. Interest expense approximates interest paid for both fiscal years.

Note 8 Long-Term Debt and Commitments continued

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/kwh.

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 \$5,012,000.

The Centre is party to an agreement with YWCA Banff under which the Centre is committed to the rental of 13 single rooms through August 31, 2012. Under this agreement, the approximate monthly rent is \$6,000 and the total of all commitments over the remainder of the lease term is approximately \$106,000.

During 2006 the Centre began construction of new facilities as part of a phased redevelopment project which was substantially completed during the fiscal year ended March 31, 2011. Remaining contractual obligations for these capital projects total \$758,000.

The Banff Centre has a Letter of Credit Facility of up to \$200,000 ("Credit Facility"). Drawings under this Credit Facility are available through commercial letters of credit. At March 31, 2011, \$75,000 was issued and outstanding.

Future expected minimum repayments are as follows:

Year Ending March 31	Professional Development Centre	Capital Lease	Construction Contractual Obligations	Operating Leases
2012	\$ 240	\$ 48	\$ 758	\$ 864
2013	246	48	-	739
2014	1,108	42	-	625
2015	-	-	-	573
2016	-	-	-	573
thereafter	-	-	-	2,148
	<u>\$ 1,594</u>	<u>\$ 138</u>	<u>\$ 758</u>	<u>\$ 5,522</u>

Note 9 Employment Related Liabilities

Under the terms of executive employment contracts, executives may receive administrative, professional or retirement leave benefits based on years of service. These amounts are period expenses for rights to future benefits payable at specified dates or upon retirement. The accrued liabilities for executive leaves are as follows:

	2011	2010
Balance, beginning of year	\$ 732	\$ 605
Benefits accrued	64	127
Benefits paid	(278)	-
	<u>518</u>	<u>732</u>
Less current portion (1)	(278)	-
Balance, end of year	<u>\$ 240</u>	<u>\$ 732</u>

(1) included with accounts payable and accrued liabilities

Note 10 Employee Future Benefit Obligation

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

The Centre does not have sufficient plan information on the PSPP required to follow the standards for defined benefit accounting. Accordingly, pension expense of \$801,828 (2010 - \$628,120) recorded for the PSPP is comprised of employer contributions to the plan that are required for the Centre's employees during the year. The contributions are calculated based on actuarially pre-determined amounts that are expected to provide the plan's respective future benefits. The unfunded position of the plan as a whole was \$2.067 billion as at December 31, 2010 (2009 - \$1.729 billion).

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 as at December 31, 2008 and further extrapolated to the Centre's year end of March 31, 2011. The Centre's portion of the benefit obligation, which has been allocated based on employer contributions to the plan, is estimated to be \$2,159,000 at March 31, 2011 (2010 - \$2,071,000).

Note 10 Employee Future Benefit Obligation continued

The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

<i>(in thousands of dollars)</i>	2011	2010
Accrued benefit obligation as of March 31	\$ 15,018	\$ 14,630
Discount Rate	6.50%	6.90%
Benefit costs for years ended March 31	\$ 675	\$ 833
Discount Rate	6.90%	6.70%
Average Compensation Increase	3.50%	3.50%

The unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% of salaries by the Province of Alberta. Employees and employers equally share the balance of the contributions of 2.03% of salaries required to eliminate the unfunded deficiency by December 31, 2043. The Government of Alberta's obligation for the future additional contributions was \$270.2 million at December 31, 2008.

The unfunded deficiency for service after December 31, 1991 is financed by special payments of 5.09% (2010 - 4.64%) of pensionable earnings shared equally between employees and employers until December 31, 2021 and 0.28% of pensionable earnings until December 31, 2023.

Note 11 Deferred Expended Capital Contributions

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

	2011	2010
Balance, beginning of year	\$ 109,175	\$ 75,586
Transferred from deferred contributions to acquire capital assets (Note 7)	10,636	36,015
Transferred to revenue	(2,405)	(2,426)
Balance, end of year	\$ 117,406	\$ 109,175

Note 12 Net Assets

	Unrestricted	Employee Future Benefit Obligation (Note 10)	2011	2010
Operating net assets, beginning of year	\$ 16,883	\$ (2,071)	\$ 14,812	\$ 14,693
Excess of revenue over expense, net of transfers	84	-	84	119
Internally designated funds for capital acquisitions	105	-	105	-
Employee future benefit obligation	88	(88)	-	-
Operating net assets, end of year	\$ 17,160	\$ (2,159)	\$ 15,001	\$ 14,812

Included in unrestricted net assets is \$24,405,000 (2010 - \$17,451,000) representing the Centre's investment in capital assets and collections.

Note 13 Endowments

	2011	2010
Endowments, beginning of year	\$ 18,357	\$ 12,569
Contributions and other transfers	2,357	3,865
Investment income	732	435
Net change in value		
Realized	439	215
Unrealized	423	1,864
Distribution of earnings available for spending	(646)	(591)
Endowments, end of year	\$ 21,662	\$ 18,357

Through March 31, 2011, the Centre had transferred \$4,840,000 (through March 31, 2010 \$4,740,000) of endowment contributions to The Banff Community Foundation and \$3,319,000 (through March 31, 2010 \$1,800,000) of endowment contributions to The Banff Centre Foundation in accordance with the terms of an application for matching funds from Canadian Heritage under the Endowment Incentives program. These contributions and any matching funds will be held by The Banff Community Foundation and The Banff Centre Foundation and managed as a permanent endowment for the sole benefit of the Centre. The market and book values of funds held by The Banff Community Foundation at March 31, 2011, including matching funds, are \$7,938,000 and \$7,534,000 respectively (March 31, 2010 - \$7,354,000 and \$7,461,000). The market and book values of funds held by The Banff Centre Foundation at March 31, 2011, including matching funds, are \$5,047,000 and \$5,017,000 respectively (March 31, 2010 - \$1,940,000 and \$1,944,000). The Banff Community Foundation is an unrelated public charitable foundation.

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 reinvesting unexpended income.

Note 13 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 is 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 by future investment income.

Note 14 Grants

	2011	2010
Base operating grant from Alberta Advanced Education & Technology	\$ 15,955	\$ 15,955
Other grants:		
Province of Alberta		
Advanced Education & Technology	1,018	20
Alberta Innovates Technology Futures	133	261
Innovation and Science	27	69
Culture and Community Spirit	340	309
Other	5	-
Government of Canada - Canadian Heritage		
Canada Arts Training Fund	1,875	1,875
Canada Arts Presentation Fund	124	124
Other Government	428	480
	<u>3,950</u>	<u>3,138</u>
	<u>\$ 19,905</u>	<u>\$ 19,093</u>

Note 15 Salaries, Wages and Benefits

	2011	2010
Salaries, wages and non-pension benefits	\$ 27,257	\$ 27,331
Pension contributions	1,786	1,624
	<u>\$ 29,043</u>	<u>\$ 28,955</u>

Note 16 Changes in Non-Cash Working Capital

	2011	2010
Changes in:		
Accounts receivable	\$ 2,040	\$ (2,633)
Inventories	29	13
Prepaid expenses	(248)	114
Accounts payable and accrued liabilities related to operations	(7,324)	1,412
Accrued vacation pay	64	13
Unearned revenue and deposits	(309)	30
	<u>\$ (5,748)</u>	<u>\$ (1,051)</u>

Note 17 Salary Disclosure

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

	2011			2010
	Salaries (1)	Non-Cash Benefits (2)	Total	Total
Board of Governors (3)	\$ -	\$ -	\$ -	\$ -
President and CEO (4)	303	41	344	341
Vice-Presidents				
Programming	186	34	220	217
Finance (4)	219	42	261	246
	<u>\$ 708</u>	<u>\$ 117</u>	<u>\$ 825</u>	<u>\$ 804</u>

(1) salaries include regular base pay and other direct cash remuneration

(2) non-cash benefits include the Centre's share of all employee benefits and payments made on behalf of employees including pension, health care, insurance and disability plans, tuition benefits and taxable benefits for the use of Banff Centre residences and vehicles

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

(4) in addition to salaries and benefits above, executives in these roles may receive administrative, professional or retirement leave benefits (Note 9)

Note 18 Budget

The following represents The Banff Centre's operating budget for the fiscal year ended March 31, 2011.

	<u>Unaudited</u>
Revenue	
Accommodations	\$ 11,101
Grants	19,652
Other sales, rentals and services	9,773
Tuition and related fees	4,626
Donations and other contributions	4,450
Investment income	631
Amortization of deferred expended capital contributions	2,283
	<u>52,516</u>
Expense	
Salaries, wages and benefits	29,486
Purchased services	3,660
Materials, goods and supplies	4,000
Scholarships and financial assistance	3,563
Facility operations and maintenance	3,332
Utilities	1,825
Travel, training and related costs	1,473
Rentals and equipment	306
Marketing and recruitment	794
Financial costs	411
Amortization of capital assets	3,666
	<u>52,516</u>
Excess of revenue over expense	<u>\$ -</u>



The Banff Centre

inspiring **creativity**

The Banff Centre is Canada's creative leader in arts and culture. Our mission is Inspiring Creativity. In our powerful mountain setting, exceptional artists and leaders from around the world create and perform new works of art, share skills and knowledge in an interdisciplinary environment, explore ideas, and develop solutions in the arts and leadership.

The Banff Centre is supported by funding from the Government of Alberta, through Alberta Advanced Education and Technology, Alberta Infrastructure, and the Alberta Foundation for the Arts. Arts programs are supported by funding from the Government of Canada through the Canada Council for the Arts, and the Department of Canadian Heritage through the Canada Arts Training Fund.

Government
of Alberta ■



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The Canada Council for the Arts
Le Conseil des Arts du Canada