

---

# Financial statements of Werklund Centre

---

August 31, 2025

---

---

|  |      |
|--|------|
| Independent Auditor's Report                         | 1-2  |
| Statement of operations and changes in fund balances | 3    |
| Statement of financial position                      | 4    |
| Statement of cash flows                              | 5    |
| Notes to the financial statements                    | 6-14 |

---

---

**Doane Grant Thornton LLP**

Centrium Place  
1100, 332 6<sup>th</sup> Avenue SW  
Calgary, AB  
T2P 0B2

T +1 403 260 2500  
F +1 403 260 2571

# Independent auditor's report

To the Members of Werklund Centre

## Opinion

We have audited the financial statements of Werklund Centre ("the Organization"), which comprise the statement of financial position as at August 31, 2025, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

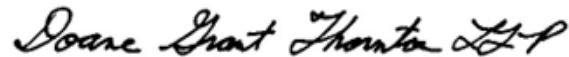
## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Calgary, Canada  
November 27, 2025

Chartered Professional Accountants

## Werklund Centre

### Statement of operations and changes in fund balances

Year ended August 31, 2025

|   | Notes | Operating Fund    | Capital Replacement Fund | Capital Campaign Fund | 2025 Total        | 2024 Total |
|---|-------|-------------------|--------------------------|-----------------------|-------------------|------------|
|   |       | \$                | \$                       | \$                    | \$                | \$         |
| <b>Revenue</b>  |       |                   |                          |                       |                   |            |
| Venue operations                                      |       | <b>6,119,628</b>  | —                        | —                     | <b>6,119,628</b>  | 6,226,116  |
| Programming   |       | <b>1,528,851</b>  | —                        | —                     | <b>1,528,851</b>  | 1,896,692  |
| Ticketing services                                    |       | <b>852,939</b>    | —                        | —                     | <b>852,939</b>    | 894,314    |
| Facility  |       | —                 | —                        | —                     | —                 | 63,820     |
| Support services                                      |       | <b>529,955</b>    | —                        | <b>17,245</b>         | <b>547,200</b>    | 622,972    |
| Grants  | 8     | <b>4,545,630</b>  | —                        | —                     | <b>4,545,630</b>  | 4,551,436  |
| Fundraising   |       | <b>74,322</b>     | —                        | —                     | <b>74,322</b>     | 797,022    |
| Deferred contributions                                | 7     | <b>1,519,908</b>  | <b>2,935,223</b>         | <b>1,125,629</b>      | <b>5,580,760</b>  | 3,610,856  |
| Investment income                                     | 7     | —                 | —                        | —                     | —                 | 897,873    |
|   |       | <b>15,171,233</b> | <b>2,935,223</b>         | <b>1,142,874</b>      | <b>19,249,330</b> | 19,561,101 |
| <b>Expenses</b>                                       |       |                   |                          |                       |                   |            |
| Venue operations                                      |       | <b>4,073,499</b>  | —                        | —                     | <b>4,073,499</b>  | 4,141,229  |
| Programming   |       | <b>2,448,286</b>  | —                        | —                     | <b>2,448,286</b>  | 3,057,458  |
| Ticketing services                                    |       | <b>699,954</b>    | —                        | —                     | <b>699,954</b>    | 746,105    |
| Facility operations                                   |       | <b>2,840,978</b>  | —                        | —                     | <b>2,840,978</b>  | 2,782,707  |
| Fundraising   | 10    | <b>1,034,475</b>  | —                        | <b>621,112</b>        | <b>1,655,587</b>  | 1,705,950  |
| Administration  |       | <b>2,961,721</b>  | <b>470,703</b>           | <b>521,762</b>        | <b>3,954,186</b>  | 3,391,036  |
| Amortization of tangible capital assets               |       | —                 | <b>2,259,209</b>         | —                     | <b>2,259,209</b>  | 2,432,396  |
| Marketing and communications                          |       | <b>1,081,486</b>  | —                        | —                     | <b>1,081,486</b>  | 1,121,020  |
| Investment fees and grants                            |       | —                 | —                        | —                     | —                 | 23,137     |
|   |       | <b>15,140,399</b> | <b>2,729,912</b>         | <b>1,142,874</b>      | <b>19,013,185</b> | 19,401,038 |
| Excess of revenue over expenses before other expenses |       | <b>30,834</b>     | <b>205,311</b>           | —                     | <b>236,145</b>    | 160,063    |
| <b>Other Expenses</b>                                 |       |                   |                          |                       |                   |            |
| Rebranding  |       | <b>133,210</b>    | —                        | —                     | <b>133,210</b>    | —          |
| (Deficiency) excess of revenue over expenses          |       | <b>(102,376)</b>  | <b>205,311</b>           | —                     | <b>102,935</b>    | 160,063    |
| Fund balances, beginning of year                      |       | <b>1,333,565</b>  | <b>1,296,362</b>         | —                     | <b>2,629,927</b>  | 2,469,864  |
| <b>Fund balances, end of year</b>                     |       | <b>1,231,189</b>  | <b>1,501,673</b>         | —                     | <b>2,732,862</b>  | 2,629,927  |

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

**Werklund Centre**

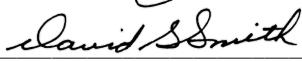
**Statement of financial position**

As at August 31, 2025

| Notes  | Operating<br>Fund | Capital<br>Replacement<br>Fund | Capital<br>Campaign<br>Fund | 2025<br>Total      | 2024<br>Total     |
|--|-------------------|--------------------------------|-----------------------------|--------------------|-------------------|
|  | \$                | \$                             | \$                          | \$                 | \$                |
| <b>Assets</b>                                  |                   |                                |                             |                    |                   |
| Current assets                                 |                   |                                |                             |                    |                   |
| Cash and restricted cash                       | 6                 | <b>2,992,714</b>               | <b>2,500</b>                | <b>7,169,772</b>   | <b>10,164,986</b> |
| Accounts receivable                            | 3                 | <b>1,104,239</b>               | <b>804,113</b>              | <b>1,410,040</b>   | <b>3,318,392</b>  |
| Prepaid expenses                               |                   | <b>233,222</b>                 | —                           | —                  | <b>233,222</b>    |
| Deposits                                       |                   | <b>51,975</b>                  | —                           | —                  | <b>51,975</b>     |
| Inventory                                      |                   | <b>61,024</b>                  | —                           | —                  | <b>61,024</b>     |
| Interfund balances                             | 13                | <b>2,385,965</b>               | <b>(1,109,069)</b>          | <b>(1,276,896)</b> | —                 |
|  |                   | <b>6,829,139</b>               | <b>(302,456)</b>            | <b>7,302,916</b>   | <b>13,829,599</b> |
|  |                   |                                |                             |                    | 7,262,504         |
| Investments                                    | 4                 | —                              | <b>7,706,739</b>            | —                  | <b>7,706,739</b>  |
| Tangible capital assets                        | 5                 | —                              | <b>27,539,767</b>           | —                  | <b>27,539,767</b> |
|  |                   | <b>6,829,139</b>               | <b>34,944,050</b>           | <b>7,302,916</b>   | <b>49,076,105</b> |
|  |                   |                                |                             |                    | 40,682,254        |
| <b>Liabilities</b>                             |                   |                                |                             |                    |                   |
| Current liabilities                            |                   |                                |                             |                    |                   |
| Accounts payable and accrued liabilities       | 3                 | <b>3,901,324</b>               | <b>893,043</b>              | <b>62,288</b>      | <b>4,856,655</b>  |
| Deferred revenue                               |                   | <b>395,375</b>                 | —                           | —                  | <b>395,375</b>    |
| Deferred contributions - Government of Alberta | 6                 | —                              | —                           | <b>3,593,045</b>   | <b>3,593,045</b>  |
| Current portion of deferred contributions      | 7                 | <b>1,301,251</b>               | —                           | <b>3,647,583</b>   | <b>4,948,834</b>  |
|  |                   | <b>5,597,950</b>               | <b>893,043</b>              | <b>7,302,916</b>   | <b>13,793,909</b> |
|  |                   |                                |                             |                    | 6,892,816         |
| Deferred contributions                         | 7                 | —                              | <b>32,549,333</b>           | —                  | <b>32,549,333</b> |
|  |                   | <b>5,597,950</b>               | <b>33,442,376</b>           | <b>7,302,916</b>   | <b>46,343,242</b> |
|  |                   |                                |                             |                    | 38,052,327        |
| <b>Fund balances</b>                           |                   |                                |                             |                    |                   |
| Invested in tangible capital assets            |                   | —                              | <b>1,501,674</b>            | —                  | <b>1,501,674</b>  |
| Internally restricted                          | 9                 | <b>244,790</b>                 | —                           | —                  | <b>244,790</b>    |
| Unrestricted                                   |                   | <b>986,399</b>                 | —                           | —                  | <b>986,399</b>    |
|  |                   | <b>1,231,189</b>               | <b>1,501,674</b>            | —                  | <b>2,732,863</b>  |
|  |                   | <b>6,829,139</b>               | <b>34,944,050</b>           | <b>7,302,916</b>   | <b>49,076,105</b> |
|  |                   |                                |                             |                    | 40,682,254        |

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

Approved by the Board

, Director  
, Director

**Werklund Centre**  
**Statement of cash flows**  
Year ended August 31, 2025

|  | <b>2025</b><br>\$  | 2024<br>\$  |
|--|--------------------|-------------|
| <b>Operating activities</b>  |                    |             |
| Excess of revenue over expenses                                      | <b>102,935</b>     | 160,063     |
| Items not affecting cash   |                    |             |
| Gain on disposal of tangible capital assets                          | —                  | (9,500)     |
| Amortization of tangible capital assets                              | <b>2,259,209</b>   | 2,432,396   |
| Amortization of deferred contributions                               | <b>(2,111,257)</b> | (2,105,715) |
|  | <b>250,887</b>     | 477,244     |
| Changes in non-cash working capital                                  |                    |             |
| Accounts receivable  | <b>388,719</b>     | (1,076,799) |
| Prepaid expenses   | <b>5,692</b>       | (36,948)    |
| Deposits   | <b>98,918</b>      | 40,151      |
| Inventory  | <b>18,800</b>      | (17,517)    |
| Accounts payable and accrued liabilities                             | <b>1,020,280</b>   | (566,088)   |
| Deferred revenue   | <b>89,025</b>      | 6,762       |
| Deferred contributions relating to operations                        | <b>(218,657)</b>   | 603,857     |
|  | <b>1,653,664</b>   | (569,338)   |
| <b>Financing activities</b>  |                    |             |
| Deferred contributions received relating to Capital Replacement Fund | <b>4,325,046</b>   | 3,314,908   |
| Deferred contributions received relating to Capital Campaign Fund    | <b>7,153,319</b>   | 1,384,829   |
|  | <b>11,478,365</b>  | 4,699,737   |
| <b>Investing activities</b>  |                    |             |
| Proceeds on disposal of tangible capital asset                       | —                  | 9,500       |
| Purchase of investments (net of proceeds)                            | <b>(692,312)</b>   | (864,079)   |
| Purchase of tangible capital assets                                  | <b>(3,393,653)</b> | (2,610,441) |
| Capital Replacement Fund expenditures                                | <b>(823,966)</b>   | (406,695)   |
| Capital Campaign Fund expenditures                                   | <b>(1,142,874)</b> | (743,735)   |
|  | <b>(6,052,805)</b> | (4,615,450) |
| Net increase (decrease) in cash                                      | <b>7,079,224</b>   | (485,051)   |
| Cash, beginning of year  | <b>3,085,762</b>   | 3,570,813   |
| <b>Cash, end of year</b>   | <b>10,164,986</b>  | 3,085,762   |

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

**1. Purpose of the organization**

Werklund Centre, previously known as Arts Commons, is a not-for-profit organization incorporated under the *Companies Act of Alberta*. Werklund Centre is one of North America's largest performing arts facilities with eight venues showcasing music, theatre, and dance. The resident companies include Theatre Calgary, Alberta Theatre Projects, Calgary Philharmonic Orchestra, One Yellow Rabbit, and Downstage Performance Society. Werklund Centre is registered as a Canadian charitable organization under the *Income Tax Act* and, accordingly, is exempt from income taxes and can issue donation receipts for income tax purposes. The organization changed its name on May 28, 2025.

Werklund Centre's financial statements are prepared using accounting standards for not-for-profit organizations ("ASNFPO") issued by the Accounting Standards Board of Chartered Professional Accountants of Canada ("CPA Canada") and set out in Part III of the CPA Canada Handbook.

**2. Significant accounting policies**

The financial statements of Werklund Centre have been prepared by management in accordance with ASNFPO and reflect the following significant accounting policies:

*Fund accounting*

- (i) The Operating Fund accounts for revenue and expenses related to the operations, program delivery and administration of Werklund Centre.
- (ii) The Capital Replacement Fund accounts for revenue and expenses for building improvement, maintenance and replacement or acquisition of tangible capital assets.
- (iii) The Capital Campaign Fund accounts for revenue and expenses specific to the capital campaign to fundraise for the Werklund Centre Transformation Project.

*Financial instruments*

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are recorded at cost or amortized cost unless management has elected to record at fair value. Investments have been elected to be recognized at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the excess of revenue over expenses as dividends and other distributions.

With respect to financial assets measured at cost or amortized cost, Werklund Centre recognizes in the statement of operations and changes in fund balances an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations and changes in fund balances in the period the reversal occurs.

Werklund Centre does not enter into any derivative financial instrument arrangements.

**2. Significant accounting policies (continued)***Revenue recognition*

Werklund Centre follows the deferral method of accounting for contributions whereby externally restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount is fixed or can be reasonably estimated and collection is reasonably assured. Externally restricted contributions explicitly related to tangible capital assets are deferred and amortized on a straight-line basis over the estimated useful life of the corresponding asset.

Government assistance is not recognized until there is reasonable assurance that the Werklund Centre will comply with the conditions attached to them and that the grants will be received.

Investment income is recognized as it is earned, except when such income relates to externally restricted and unexpended contributions for which the donor requests the associated investment income to be subject to the same restrictions. In such cases, the investment income is deferred and recognized as revenue when the related restrictions are satisfied and expenditures incurred.

Theatre and concert hall revenue and costs are recognized only for programs which have taken place. Revenue received and costs incurred prior to the date of performance are deferred.

*Donated materials and services*

Donated materials and services are recorded at fair market value if Werklund Centre would normally have paid for such materials and services and the fair market value can be determined.

*Inventory*

Inventory is recorded at the lower of cost and net realizable value and is relieved from inventory on a first-in, first-out basis. Net realizable value is determined using current estimated selling prices less selling costs. The estimated selling price considers management's best estimate of the most probable set of economic conditions.

Inventory consists of products purchased for resale at events including liquor, beverages, and concessions. The sale of inventory during the year resulted in the recognition of expenses aggregating \$227,141 (\$225,250 in 2024). This is recorded in the statement of operations and changes in fund balances in venue operations expense.

*Investments*

Investments are initially recorded at fair value in the statement of financial position as established by the closing bid price for trading on the recognized exchange on which the investment is listed or principally traded. Interest and dividends on investments are recorded on an accrual basis and realized and unrealized gains and losses are restricted and recognized through deferred contributions in the Capital Replacement Fund.

*Tangible capital assets*

Werklund Centre has leased its land and building from The City of Calgary for \$1 per year until 2040. Construction expenses and tenant improvements made by Werklund Centre vest with The City of Calgary. The repair, maintenance and capital replacement of the building are solely the responsibility of Werklund Centre. Property of every description is insured for \$233 million.

Purchased tangible capital assets are recorded in the appropriate fund at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. Betterments that extend the estimated life of an asset are capitalized. When the asset no longer contributes to Werklund Centre's ability to provide services, its carrying amount is written down to its residual value. Amortization expense is recorded as an expense in the appropriate fund.

**2. Significant accounting policies (continued)***Tangible capital assets (continued)*

Tangible capital assets are amortized on a straight-line basis over the assets' estimated useful lives as follows:

|                               |          |
|-------------------------------|----------|
| Custom-built computer systems | 10 years |
| Equipment                     |          |
| Office                        | 5 years  |
| Stage                         | 5 years  |
| Building                      | 20 years |
| Venue infrastructure          | 20 years |
| Leasehold improvements        | 10 years |

Capital development projects are not subject to amortization until the development is complete. At that point, the balance will be allocated to the appropriate asset category and amortized over its estimated useful life.

Tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and its carrying amount may not be fully recoverable. When a condition indicates that a tangible asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. A write-down of tangible assets shall be accounted for as an expense in the statement of operations and fund balances. A write-down shall not be reversed.

*Cloud Computing Costs*

Effective September 1, 2024, Werklund Centre has adopted Accounting Guideline 20, Customer's accounting for cloud computing arrangements, which provides guidance on the accounting for expenditures on cloud computing arrangements. As part of the adoption, Werklund Centre elected to apply the simplification approach to account for its expenditures in its cloud computing arrangements.

When there are multiple elements within a single cloud computing arrangement, Werklund Centre allocates the consideration to each separable element based on the relative stand-alone selling prices. Expenditures in all cloud computing agreements, excluding tangible capital assets and rights to use tangible capital assets, are treated as a supply of services and expensed as Werklund Centre receives the services. Amounts paid in advance of receiving the services are recognized as a prepaid expense. In accordance with the transitional provisions, Werklund Centre has applied the new accounting guideline retrospectively. As a result of applying the amendments, there was no impact on Werklund Centre's previously reported financial position or results of operations or cash flows.

During the year, Werklund Centre entered cloud computing arrangements and expensed \$223,754 (\$221,581 in 2024) in connection with the arrangements, which are presented as venue operations, ticketing services and administration expenses in the statement of operations.

*Use of estimates*

The preparation of the financial statements in accordance with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant of these estimates relate to the allowance for doubtful accounts, net realizable value of inventory, the amortization period for and potential impairment of tangible capital assets, the determination of accrued liabilities and potential contingencies. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates could be significant. Management reviews its estimates on a periodic basis and, if required, makes adjustments prospectively.

## Werklund Centre

### Notes to the financial statements

Year ended August 31, 2025

---

### 3. Government remittances

Accounting standards require separate disclosure of the amounts of government remittances (other than income taxes) recoverable or payable. Accordingly, an amount of \$292,169 (\$261,069 in 2024) of Goods and Services Tax recoverable as at August 31, 2025 is included in the accounts receivable balance. A total of \$nil (\$nil in 2024) of source deductions payable is included in the accounts payable and accrued liabilities balance.

### 4. Investments

Werklund Centre's investments represent publicly traded securities that are professionally managed and held in the Capital Replacement Fund and are invested in accordance with the investment policies approved by the board of directors (the "Board"). Investments have been recorded at fair market value as follows:

|   | 2025             |                  | 2024       |              |
|---|------------------|------------------|------------|--------------|
|   | Cost<br>\$       | Market<br>\$     | Cost<br>\$ | Market<br>\$ |
| Capital Replacement Fund<br>managed funds | <b>4,896,054</b> | <b>7,706,739</b> | 4,697,715  | 7,014,427    |

### 5. Tangible capital assets

|                               | Cost<br>\$        | Accumulated<br>amortization<br>\$ | 2025                    |          |
|-------------------------------|-------------------|-----------------------------------|-------------------------|----------|
|                               |                   |                                   | Net book<br>value<br>\$ |          |
| Land and building             | <b>1</b>          | —                                 | —                       | <b>1</b> |
| Custom-built computer systems | <b>782,066</b>    | <b>782,066</b>                    | —                       | —        |
| Equipment                     |                   |                                   |                         |          |
| Office                        | <b>954,699</b>    | <b>954,699</b>                    | —                       | —        |
| Stage                         | <b>9,285,967</b>  | <b>9,052,763</b>                  | <b>233,204</b>          | —        |
| Building                      | <b>32,288,105</b> | <b>15,657,959</b>                 | <b>16,630,146</b>       | —        |
| Venue Infrastructure          | <b>10,144,728</b> | <b>1,389,954</b>                  | <b>8,754,774</b>        | —        |
| Leasehold improvements        | <b>8,292,854</b>  | <b>7,613,108</b>                  | <b>679,746</b>          | —        |
| Capital-development projects* | <b>1,241,896</b>  | —                                 | <b>1,241,896</b>        | —        |
|                               | <b>62,990,316</b> | <b>35,450,549</b>                 | <b>27,539,767</b>       | —        |

**Werklund Centre****Notes to the financial statements**

Year ended August 31, 2025

**5. Tangible capital assets (continued)**

|                               | Cost<br>\$ | Accumulated<br>amortization<br>\$ | 2024<br>Net book<br>value<br>\$ |
|-------------------------------|------------|-----------------------------------|---------------------------------|
| Land and building             | 1          | —                                 | 1                               |
| Custom-built computer systems | 782,066    | 782,066                           | —                               |
| Equipment                     |            |                                   |                                 |
| Office                        | 954,699    | 954,699                           | —                               |
| Stage                         | 9,285,967  | 8,839,095                         | 446,872                         |
| Building                      | 30,131,016 | 14,268,522                        | 15,862,494                      |
| Venue Infrastructure          | 9,478,753  | 916,016                           | 8,562,737                       |
| Leasehold improvements        | 8,292,854  | 7,430,941                         | 861,913                         |
| Capital development projects* | 671,306    | —                                 | 671,306                         |
|                               | 59,596,662 | 33,191,339                        | 26,405,323                      |

\* Capital development projects consist of costs related to work-in-progress on building projects expected to be completed by December 2025.

**6. Deferred contributions – Government of Alberta**

During the year, Werklund Centre received \$2,924,000 (\$641,000 in 2024) from the Ministry of Arts, Culture and Status of Women under a contribution agreement to a maximum of \$103,000,000 to support the Arts Commons Transformation (ACT) Project and Olympic Plaza Transformation. Interest accruing on the unexpended portion of these contributions during the year was \$27,950 (\$95 in 2024).

There were no amounts expended during the year pertaining to this contribution agreement.

As at August 31, 2025, presented as cash in the statement of financial position is restricted cash in the amount of \$3,593,045 (2024 - \$641,095), representing unexpended contributions received under this agreement and interest accrued thereon.

## Werklund Centre

### Notes to the financial statements

Year ended August 31, 2025

---

## 7. Deferred contributions

### *Operating Fund and Capital Campaign Fund*

Deferred contributions reported in the Operating Fund and Capital Campaign Fund represent externally restricted donations relating to expenses of future periods. The changes in deferred contributions are as follows:

|                                    | Operating<br>Fund | Capital<br>Campaign<br>Fund | 2025               | 2024        |
|------------------------------------|-------------------|-----------------------------|--------------------|-------------|
|                                    | \$                | \$                          | \$                 | \$          |
| Balance, beginning of year         | 1,519,908         | 1,230,183                   | <b>2,750,091</b>   | 1,505,141   |
| Contributions                      | 1,301,251         | 3,543,029                   | <b>4,844,280</b>   | 2,750,092   |
| Less amounts recognized as revenue | (1,519,908)       | (1,125,629)                 | <b>(2,645,537)</b> | (1,505,141) |
| Balance, end of year               | <b>1,301,251</b>  | <b>3,647,583</b>            | <b>4,948,834</b>   | 2,750,092   |

Deferred contributions reported in the Operating Fund and Capital Campaign Fund totaled \$4,844,280 (\$2,750,092 in 2024).

### *Capital Replacement Fund*

Deferred contributions reported in the Capital Replacement Fund represent the unamortized portion of externally restricted contributions, which have been expended or are expendable on Werklund Centre's tangible capital assets, as well as unexpended contributions and associated investment income externally restricted for the purposes of building improvement, maintenance and replacement or acquisition of tangible capital assets.

The changes in deferred contributions are as follows:

|                                    | Unexpended<br>Contributions | Deferred<br>Contributions | 2025               | 2024        |
|------------------------------------|-----------------------------|---------------------------|--------------------|-------------|
|                                    | \$                          | \$                        | \$                 | \$          |
| Balance, beginning of year         | 5,829,101                   | 25,330,410                | <b>31,159,511</b>  | 30,357,013  |
| Contributions                      | 803,162                     | 2,818,942                 | <b>3,622,104</b>   | 2,908,213   |
| Investment income                  | 702,941                     | -                         | <b>702,941</b>     | -           |
| Less amounts recognized as revenue | (823,966)                   | (2,111,257)               | <b>(2,935,223)</b> | (2,105,715) |
| Balance, end of year               | <b>6,511,238</b>            | <b>26,038,095</b>         | <b>32,549,333</b>  | 31,159,511  |

For the year ended August 31, 2024, investment income in the amount of \$897,873 was recognized as investment income revenue in the statement of operations in accordance with Werklund Centre's accounting policies.

## Werklund Centre

### Notes to the financial statements

Year ended August 31, 2025

---

#### 8. Grants

The City of Calgary provides operating grants to Werklund Centre, which are approved on an annual basis.

Grants received in the year are as follows:

|  | <b>2025</b>      | 2024      |
|--|------------------|-----------|
|  | \$               | \$        |
| <b>Operating Grants</b>  |                  |           |
| The City of Calgary - Civic Partners Program                   | <b>3,061,446</b> | 2,812,074 |
|  | <b>3,061,446</b> | 2,812,074 |
| <b>Programming Grants</b>                                      |                  |           |
| Alberta Foundation for the Arts                                | <b>75,000</b>    | 72,000    |
| Canadian Heritage - Canada Arts Presentation Fund              | <b>149,250</b>   | 110,000   |
| Canadian Heritage - National Day for Truth and Reconciliation  | <b>6,000</b>     | 10,000    |
| Canada Council - Strategic Funds                               | <b>—</b>         | 40,175    |
| Calgary Downtown Association                                   | <b>—</b>         | 10,000    |
| The City of Calgary - Arts and Culture - Tier 1                | <b>—</b>         | 10,000    |
| The City of Calgary - Arts and Culture - Tier 2                | <b>30,000</b>    | 19,054    |
| The City of Calgary - Downtown Strategy Fund                   | <b>—</b>         | 50,000    |
| The SOCAN Foundation   | <b>—</b>         | 1,500     |
|  | <b>260,250</b>   | 322,729   |
| <b>Educations, facilities, and other</b>                       |                  |           |
| Alberta Gaming, Liquor and Cannabis Commission                 | <b>90,593</b>    | 84,556    |
| Alberta Ethnocultural Stream Grant                             | <b>—</b>         | 45,000    |
| Alberta Ethnocultural Job Grant                                | <b>—</b>         | 1,000     |
| Alberta Community Initiative Program                           | <b>—</b>         | 75,000    |
| Alberta Jobs Now Program                                       | <b>4,773</b>     | 90,993    |
| Canada Summer Jobs   | <b>9,015</b>     | 5,285     |
| Canada-Alberta Job Grant Program                               | <b>4,800</b>     | 5,040     |
| Canada Community Services Recovery Fund                        | <b>—</b>         | 72,500    |
| Calgary Foundation - Calgary International Children's Festival | <b>1,039</b>     | 1,022     |
| Calgary Arts Development Authority                             | <b>80,000</b>    | 80,000    |
| Carthy Foundation  | <b>3,000</b>     | —         |
| Dinner Optimist Club of Calgary                                | <b>8,000</b>     | 8,000     |
| Elect Symphonia Inspired Learning Grant                        | <b>2,230</b>     | —         |
| Flanagan Foundation  | <b>50,000</b>    | —         |
| Harry & Martha Cohen Foundation                                | <b>2,000</b>     | 3,500     |
| Nickle Family Foundation                                       | <b>48,465</b>    | 45,500    |
| Norreen Baker Fund   | <b>5,000</b>     | 7,000     |
| Prairie Crocus Foundation                                      | <b>15,000</b>    | —         |
| Rozsa Foundation   | <b>20,000</b>    | 15,000    |
| The Calgary Foundation   | <b>385,182</b>   | 336,929   |
| The Polar Foundation   | <b>7,000</b>     | —         |
| Tourism Calgary  | <b>5,000</b>     | —         |
| Werklund Foundation  | <b>105,000</b>   | 85,000    |
|  | <b>846,097</b>   | 961,325   |
|  | <b>377,837</b>   | 455,308   |
|  | <b>4,545,630</b> | 4,551,436 |

**Werklund Centre****Notes to the financial statements**

Year ended August 31, 2025

**9. Internally restricted fund balance**

Werklund Centre has established a policy to set aside a certain level of internally restricted funds achieved through current year or cumulative surpluses to be retained to offset any future (projected or unexpected) operating deficiencies or to undertake significant projects or tangible capital asset acquisition, replacement or maintenance. During the current year, the Board approved utilizing \$133,210 (\$nil in 2024) from the Operating Fund and \$221,449 (\$nil in 2024) from the Capital Replacement Fund for these purposes. During the 2024 year, the Board internally restricted \$24,880 within the Capital Replacement Fund.

**10. Fundraising expenses**

The amounts received pertaining to fundraising activities were as follows:

|  | <b>2025</b><br>\$ | 2024<br>\$ |
|--|-------------------|------------|
| Deferred contributions received relating to Capital Replacement Fund | <b>4,325,046</b>  | 3,314,908  |
| Deferred contributions received relating to Capital Campaign Fund    | <b>7,153,319</b>  | 1,384,829  |
|  | <b>11,478,365</b> | 4,699,737  |

As required under Section 7(2) of the Alberta Charitable Fundraising Regulation, the following amounts are disclosed:

|  | <b>2025</b><br>\$ | 2024<br>\$ |
|--|-------------------|------------|
| Amounts paid as remuneration to employees whose principal duties involve fundraising | <b>620,529</b>    | 615,967    |
| Expenses incurred for donations and services in kind                                 | <b>456,108</b>    | 378,268    |
| Other expenses incurred for the purposes of soliciting contributions                 | <b>578,950</b>    | 711,715    |
|  | <b>1,655,587</b>  | 1,705,950  |

**11. Bank indebtedness**

Werklund Centre has available a line of credit secured by its investment portfolio. The line of credit, which is payable on demand, is approved for a maximum amount of \$2,000,000 and bears interest at the Royal Bank prime rate plus 0.5% per annum. The Royal Bank prime rate was 4.95% as at August 31, 2025 (6.70% as at August 31, 2024). As at August 31, 2025 the balance is \$nil (\$nil in 2024). Interest expenses of \$118 (\$23 in 2024) were incurred for using the line of credit during the year.

**12. Financial instruments**

Werklund Centre's financial instruments consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values.

Werklund Centre has exposure to the following risks from its use of financial instruments:

*Market risk*

Market risk is the risk that changes in market prices as a result of changes in interest rates and stock market fluctuations will affect Werklund Centre's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments held by Werklund Centre. Werklund Centre has holdings in fixed-income securities. As interest rates fluctuate, the fair values of the investments will be impacted.

*Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment resulting in a financial loss to Werklund Centre. Credit risk is managed for Werklund Centre's investments by ensuring that they are in accordance with the Statement of Investment Policy established by the Board. The maximum exposure to credit risk on these instruments is their carrying value.

Werklund Centre is exposed to credit risk associated with accounts receivable to the extent that its customers or donors may experience financial difficulty and would be unable to meet their obligations. However, Werklund Centre has a large number of diverse customers and donors, which minimizes the concentration of credit risk.

*Liquidity risk*

Liquidity risk is the risk that Werklund Centre will not be able to meet its liabilities as they fall due. Werklund Centre currently holds enough cash to pay all current liabilities; therefore, Werklund Centre's liquidity risk is considered minimal. In addition, Werklund Centre aims to retain a sufficient cash position to manage liquidity. Werklund Centre's exposure to and management of liquidity risk has not changed materially since August 31, 2022.

**13. Interfund balances**

Interfund balances are the amounts owed for project management and administrative costs incurred between the three funds during the current year. Any outstanding amounts are non-interest bearing and have no fixed terms of repayment.

**14. Comparative figures**

Certain comparative figures have been adjusted to conform to the presentation adopted for the current year.