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# 2024 **FINANCIAL STATEMENTS**



ADVOCACY

PARTNERSHIP

IMPACT

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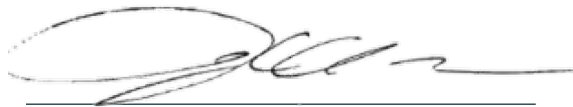
**CERTIFIED COPY**

“We, Tyler Nightingale, President and Board Chair, and Jeremy Moore, Chair of Governance, hereby certify the attached to be a true copy of the Audited Financial Statements for the Year Ending March 31, 2025 and Auditor’s Report for the Westerner Exposition Association.

Date: June 5, 2025



Tyler Nightingale  
*President & Board Chair*



Jeremy Moore  
Chair of Governance  
*Board of Directors*



**THE WESTERN  
EXPOSITION ASSOCIATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2025**

**THE WESTERNER EXPOSITION ASSOCIATION****TABLE OF CONTENTS  
MARCH 31, 2025**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:  
The Westerner Exposition Association

### Opinion

We have audited the accompanying consolidated financial statements of The Westerner Exposition Association ("the Association") which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2025, and the results of its 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

3.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

*Pivotal LLP*

Red Deer County, Alberta  
May 22, 2025

Chartered Professional Accountants

**THE WESTERN EXPOSITION ASSOCIATION**  
**CONSOLIDATED BALANCE SHEET**  
**MARCH 31, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3) .....	\$ 3,359,695	\$ 967,946
Accounts receivable .....	1,091,119	930,716
Grant receivable .....	850,287	-
Inventories (Note 4) .....	211,369	259,667
Prepaid expenses and deposits (Note 5) .....	4,350	985
	<u>5,516,820</u>	<u>2,159,314</u>
<b>RESTRICTED CASH</b> (Note 3) .....	322,412	1,042,523
<b>MAJOR MAINTENANCE FUND</b> (Note 6) .....	314,989	302,174
<b>WESTERNER FOUNDATION - RESTRICTED</b>		
<b>CHARITABLE ENHANCEMENT FUND</b> (Note 7) .....	8,158,457	8,397,032
<b>CAPITAL ASSETS</b> (Note 8) .....	<u>44,264,421</u>	<u>45,486,971</u>
	<u>\$ 58,577,099</u>	<u>\$ 57,388,014</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness (Note 9) .....	\$ 578,696	\$ 957,683
Accounts payable and accrued liabilities .....	1,041,369	767,354
Government remittances payable .....	25,030	31,259
Deferred revenue (Note 10) .....	1,711,094	907,891
	<u>3,356,189</u>	<u>2,664,187</u>
Callable portion of long term debt (Note 11) .....	18,236,949	17,359,889
	<u>21,593,138</u>	<u>20,024,076</u>
<b>DEFERRED CONTRIBUTIONS - WESTERNER</b>		
<b>FOUNDATION</b> (Note 7) .....	8,158,457	8,397,032
<b>CAPITAL CONTRIBUTIONS</b> (Note 12) .....	<u>17,071,408</u>	<u>18,170,406</u>
<b>TOTAL LIABILITIES</b> .....	<u>46,823,003</u>	<u>46,591,514</u>
<b>NET ASSETS</b>		
<b>SHARE CAPITAL</b> (Note 13) .....	7,630	7,160
<b>NET INVESTMENT IN CAPITAL ASSETS</b> .....	10,013,168	10,466,901
<b>UNRESTRICTED NET ASSETS</b> .....	1,418,309	20,265
<b>MAJOR MAINTENANCE FUND</b> (Note 6) .....	314,989	302,174
	<u>11,754,096</u>	<u>10,796,500</u>
	<u>\$ 58,577,099</u>	<u>\$ 57,388,014</u>

**COMMITMENTS AND CONTRACTUAL OBLIGATIONS** (Note 14)

On Behalf of the Board of Directors:

  
 Tyler Nightingale May 30, 2025 14:21 MDT

President and Board Chair

  
 John May May 30, 2025 14:21 MDT

Vice President

See accompanying notes to consolidated financial statements

**THE WESTERNER EXPOSITION ASSOCIATION**  
**CONSOLIDATED STATEMENT CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2025**

	Net Investment in Capital Assets	Unrestricted Net Assets	Major Maintenance Fund	<b>Total 2025</b>	Total 2024
Balance, beginning of year	\$ 10,466,901	\$ 20,265	\$ 302,174	<b>\$ 10,789,340</b>	\$ 13,248,472
Excess (deficiency) of revenue over expenses	-	957,126	-	<b>957,126</b>	(2,459,132)
Amortization of capital assets	(2,490,346)	2,490,346	-	-	-
Purchase of capital assets	1,267,583	(1,267,583)	-	-	-
Capital contributions recognized	(348,150)	348,150	-	-	-
Amortization of capital contributions	1,370,981	(1,370,981)	-	-	-
Proceeds of long term debt	(253,801)	253,801	-	-	-
Interest earned on fund	-	(12,815)	12,815	-	-
Balance, end of year	<u>\$ 10,013,168</u>	<u>\$ 1,418,309</u>	<u>\$ 314,989</u>	<b><u>\$ 11,746,466</u></b>	<u>\$ 10,789,340</u>

*See accompanying notes to consolidated financial statements*

**THE WESTERNER EXPOSITION ASSOCIATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2025**

	2025	2024
<b>REVENUE</b>		
Rental income .....	\$ 4,609,004	\$ 4,665,376
Food and beverage .....	3,446,391	4,417,776
Gate and admission .....	1,517,067	3,197,220
Commissions .....	1,246,226	2,297,219
Other revenue .....	577,995	682,130
Sponsorship .....	519,237	1,085,093
Gaming .....	312,743	237,134
Interest income .....	193,365	152,855
	<u>12,422,028</u>	<u>16,734,803</u>
<b>EVENT EXPENSES</b>	<u>8,134,252</u>	<u>12,745,611</u>
<b>INCOME BEFORE INDIRECT EXPENSES</b>	<u>4,287,776</u>	<u>3,989,192</u>
<b>INDIRECT EXPENSES</b>		
Administration, marketing and park maintenance .....	4,412,872	5,949,927
Interest on debt .....	300,894	264,237
	<u>4,713,766</u>	<u>6,214,164</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE</b>	<b>(425,990)</b>	<b>(2,224,972)</b>
<b>GRANT AND MATCHING DONATION REVENUE</b>		
Federal.....	28,628	4,773
Provincial.....	473,853	716,188
Municipal.....	1,000,000	-
Other.....	1,000,000	157,134
	<u>2,502,481</u>	<u>878,095</u>
	<u>2,076,491</u>	<u>(1,346,877)</u>
Amortization of capital assets .....	(2,490,346)	(2,487,823)
Amortization of capital contributions .....	1,370,981	1,375,568
	<u>(1,119,365)</u>	<u>(1,112,255)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ <u>957,126</u></b>	<b>\$ <u>(2,459,132)</u></b>

*See accompanying notes to consolidated financial statements*

**THE WESTERNER EXPOSITION ASSOCIATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2025**

	2025	2024
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Cash received from customers .....	\$ 12,021,177	\$ 16,109,552
Cash received from grants and investments .....	1,491,530	738,162
Interest income received .....	193,365	152,855
Cash paid for materials and services .....	(6,982,594)	(13,443,928)
Cash paid for salaries and benefits .....	(5,252,026)	(5,425,244)
	<u>1,471,452</u>	<u>(1,868,603)</u>
<b>FINANCING ACTIVITIES</b>		
Share capital issued .....	470	110
Proceeds from line of credit .....	500,000	500,000
Deferred contributions received .....	503,287	316,450
Capital contributions received .....	<u>-</u>	<u>1,040,638</u>
	<u>1,003,757</u>	<u>1,857,198</u>
<b>INVESTING ACTIVITIES</b>		
Transfer to internally restricted reserve .....	(12,815)	(13,252)
Transfer from (to) externally restricted .....	720,111	(1,042,523)
Purchase of investments .....	(503,287)	(316,450)
Proceeds on disposal of investments .....	1,359,101	1,165,613
Purchase of capital assets .....	(1,267,583)	(420,927)
	<u>295,527</u>	<u>(627,539)</u>
<b>INCREASE IN CASH .....</b>	<b>2,770,736</b>	<b>(638,944)</b>
<b>CASH, BEGINNING OF YEAR .....</b>	<b><u>10,263</u></b>	<b><u>649,207</u></b>
<b>CASH, END OF YEAR .....</b>	<b>\$ <u>2,780,999</u></b>	<b>\$ <u>10,263</u></b>
<b>CASH COMPRISED OF:</b>		
Cash and cash equivalents .....	\$ 3,359,695	\$ 967,946
Bank indebtedness .....	<u>(578,696)</u>	<u>(957,683)</u>
	<u>\$ 2,780,999</u>	<u>\$ 10,263</u>

*See accompanying notes to consolidated financial statements*

**THE WESTERNER EXPOSITION ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**1. STATUS AND PURPOSE OF THE ORGANIZATION**

The Westerner Exposition Association is incorporated under the Companies Act of Alberta as a not-for-profit organization. The mission statement of the Association is "To provide exceptional guest experiences through premier facilities and services for agriculture and trade, sports and entertainment, conferences and meetings, generating economic benefits for Central Alberta."

The Association is exempt from income tax and is a registered charity under the Canadian Income Tax Act.

The directors and officers of the Association are elected volunteers who cannot be paid in any form for their services under the by-laws of the Association. The shareholders of the Association, who are also volunteers, cannot receive any dividends, nor can shares appreciate in value. Shares cannot be sold or held by persons permanently residing outside of the Province of Alberta, nor in estates of deceased shareholders.

The Association is also designated as an Agricultural Society under the Alberta Agricultural Societies Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

***Basis of Presentation***

The consolidated financial statements include the accounts of the Association and its 50% interest in Agri-Trade Equipment Expo (Agri-Trade) and its 50% interest in Agri-Food Innovation Expo (Agri-Food).

***Cash and Cash Equivalents***

The policy of the Association is to disclose floats, petty cash, and cash held in bank accounts as cash and cash equivalents.

***Inventories***

Inventories are valued at the lower of cost and net realizable value, cost being determined by using the first-in, first-out method. Any previous inventory write downs will be reversed if economic circumstances have changed to support an increased inventory value.

***Capital Assets***

Capital assets are accounted for at cost. Amortization is based on the estimated useful life of each asset, using the following rates:

Plant facility	- 2.5% straight-line
Equipment and vehicles	- 10% straight-line

One-half of the normal rates are applied in the year of acquisition.

**THE WESTERNER EXPOSITION ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Contributed Services***

The Association would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the consolidated financial statements.

***Contributed Materials***

Donated materials are recorded in the consolidated financial statements at fair market value when fair market value can be reasonably estimated and when the Association would otherwise have purchased these items.

***Estimates***

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the current year. Significant items subject to such estimates and assumptions include the valuation of allowance for doubtful accounts receivable, impairment of long-lived assets, the estimated useful lives of capital assets, the valuation of inventories, accrued liabilities, contingent liabilities, and estimated principal repayments of long term debt. Actual results could differ from those estimates.

***Financial Instruments***

***Measurement of financial instruments***

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and interest rate swap contracts which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, restricted cash, accounts receivable, and the Major Maintenance Fund.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, and long term debt.

The Association's financial assets measured at fair value include amounts invested in marketable securities and the Westerner Foundation Charitable Enhancement Fund.

**THE WESTERN EXPOSITION ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Interests in Joint Ventures***

The Association's interests in joint arrangements are accounted for using the proportionate consolidation method.

***Revenue Recognition***

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the year in which the related expenses are incurred. Capital contributions are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Revenues from the sales of goods and services are recognized when the goods are delivered or when the services have been rendered. Revenues from sponsorship and rental of facilities are recognized over the term of the sponsorship contract or rental contract.

**3. CASH AND CASH EQUIVALENTS**

Included in cash and cash equivalents is \$75,492 (2024 - \$33,140) of funds restricted by Alberta Gaming, Liquor & Cannabis ("AGLC"). Expenditures from these funds must be approved once per year, based on AGLC regulations.

Restricted cash includes \$322,412 (2024 - \$1,042,523) of funds from government grants that are restricted for capital purposes.

**4. INVENTORIES**

Inventories consist of food and beverage, liquor and beer, disposables, and fuel. During the year, the amount of inventories that were recognized as an expense was \$1,167,503 (2024 - \$1,603,486).

	2025	2024
Food and beverage	\$ 97,242	\$ 106,505
Liquor and beer	77,653	106,414
Disposables	30,631	33,199
Fuel	5,843	13,549
	<u>\$ 211,369</u>	<u>\$ 259,667</u>

**THE WESTERNER EXPOSITION ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**5. PREPAID EXPENSES AND DEPOSITS**

The Association's facilities are located on land owned by the City of Red Deer ("the City"). The lease agreement with the City calls for clear annual rent of \$1 and expires May 31, 2059. The Association has paid the full rent for the term of the lease.

	2025	2024
Prepaid site lease	\$ 35	\$ 35
Other	<u>4,315</u>	<u>950</u>
	<u>\$ 4,350</u>	<u>\$ 985</u>

**6. MAJOR MAINTENANCE FUND**

The Major Maintenance Fund was established in 1994 pursuant to an agreement with the City for the purpose of financing future long term maintenance needs in relation to the Association's facilities. Under the terms of the agreement, the target sum of the Major Maintenance Fund is \$1,000,000. As monies are disbursed from time to time from the fund, the Association will resume annual allocations of \$50,000 or such greater amounts as the Association's Board may deem necessary from time to time to bring the fund back up to approximately \$1,000,000. A portion of the fund may be used to finance special capital construction projects, subject to approval by Red Deer City Council ("City Council"). If annual payments to attain and maintain the target sum for the fund from time to time are not achieved, the annual budget of the Association is to be submitted to City Council for approval.

The total amount designated as the Major Maintenance Fund reserve is \$314,989 (2024 - \$302,174). The reserve is funded by the Major Maintenance Fund bank account balance of \$314,989 (2024 - \$302,174).

**7. WESTERNER FOUNDATION - RESTRICTED CHARITABLE ENHANCEMENT FUND**

The Association Board of Directors established the Westerner Foundation - Restricted Charitable Enhancement Fund. Donations designated to the fund are restricted as per the appropriately authorized donation agreement, established with the donor and the Association. Disbursements of these funds, or any residual interest resulting from the investment of these funds, require approval from the Westerner Foundation Committee and the Board of Directors. At year end, the net amount designated as Westerner Foundation - Restricted Charitable Enhancement Fund was \$8,158,457 (2024 - \$8,397,032). The activities of the fund are summarized on Schedule 1.

**THE WESTERNER EXPOSITION ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**8. CAPITAL ASSETS**

	<b>2025</b>			<b>2024</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Plant facility	<b>\$ 91,177,704</b>	<b>\$ 48,170,621</b>	<b>\$ 43,007,083</b>	\$ 44,520,521
Equipment and vehicles	<b><u>8,261,141</u></b>	<b><u>7,003,803</u></b>	<b><u>1,257,338</u></b>	<u>966,450</u>
	<b><u>\$ 99,438,845</u></b>	<b><u>\$ 55,174,424</u></b>	<b><u>\$ 44,264,421</u></b>	<u>\$ 45,486,971</u>

**9. BANK INDEBTEDNESS**

The Association has a demand operating credit facility through Canadian Imperial Bank of Commerce ("CIBC") in the amount of up to \$750,000 (2024 - \$1,000,000). Interest on the facility is charged at the prime rate plus a 3.50%. The facility is secured by a first ranking security agreement charging all present and after-acquired personal property of the Association limited to \$1,150,000, and assignment of insurance on secured property and assets. At year end, the amount outstanding on the facility was \$578,696 (2024 - \$957,683).

Under the provisions of the facility agreement with CIBC, the Association is required to maintain a debt service coverage ratio of not less than 1:1. The covenant was met at year end.

**10. DEFERRED REVENUE**

	<b>2025</b>	<b>2024</b>
Deposits and advances	<b>\$ 483,049</b>	\$ 490,065
Events	<b>82,295</b>	250,747
Sponsorship	<b>150,000</b>	17,500
Suite leases	<b>145,463</b>	149,579
Deferred grant revenue	<b><u>850,287</u></b>	<u>-</u>
	<b><u>\$ 1,711,094</u></b>	<u>\$ 907,891</u>

**THE WESTERN EXPOSITION ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**11. LONG TERM DEBT**

	2025	2024
City of Red Deer demand loan repayable in annual payments equal to 50% of the Association's EBITDA up to \$1,000,000 including interest at 2.616%. The loan matures on September 29, 2051 and is secured by a general security agreement.	<b>\$ 10,236,345</b>	\$ 9,982,332
City of Red Deer demand loan repayable in annual payments equal to 75% of the Association's EBITDA between \$1,000,000 and \$2,000,000, plus 90% of EBITDA between \$2,000,000 and \$3,000,000, plus 100% of EBITDA in excess of \$3,000,000. No interest is being charged on the loan, which matures on September 29, 2051 and is secured by a general security agreement.	<b>6,943,500</b>	6,867,333
City of Red Deer demand line of credit with interest at 4.91%. The line of credit and accrued interest are due April 1, 2028 and are secured by a general security agreement.	<u><b>1,057,104</b></u>	<u>510,224</u>
	<b>18,236,949</b>	17,359,889
Callable portion of long term debt	<u><b>(18,236,949)</b></u>	<u>(17,359,889)</u>
	<u><b>\$ -</b></u>	<u>\$ -</u>

Notwithstanding the demand feature of the loans, scheduled principal repayments due at year end are:

2029	\$ 1,057,104
Thereafter	\$ <u>17,179,845</u>
	\$ <u><u>18,236,949</u></u>

In 2021, the Association signed an agreement with the City to borrow \$19,000,000 to repay existing debt. The loan is divided into two tranches. Tranche 1 is \$10,000,000 and bears interest at 2.616% using the simple interest method. Tranche 2 is \$9,000,000 and bears no interest. The difference between the face value of Tranche 2 and its fair value of \$6,715,000 has been recognized as a capital contribution amortized over the 30 year term of the loan. The unamortized capital contribution at March 31, 2025 is \$2,056,500 (2024 - \$2,132,667). In the current year, the the City agreed to amend the loan agreement for five years, allowing payments to be deferred if the Association's current ratio falls below 1:1.

In 2023, the Association signed an agreement with the City for a demand line of credit facility of up to \$1,000,000 which bears interest at 4.91% using the simple interest method. The line of credit and any accrued interest is due on April 1, 2028.

**THE WESTERNER EXPOSITION ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**11. LONG TERM DEBT (Continued)**

Effective August 1, 2024, the City agreed to suspend loan payments from the Association until April 1, 2027.

The City holds, as security, a general security agreement granting a security interest in all present and after acquired personal property, a first-priority fixed charge in the amount of \$23,000,000 over the lease of the real property of the Association, and an assignment of rents and leases over all property held under the mortgage lease, and assignment of fire and other perils insurance on the property.

**12. CAPITAL CONTRIBUTIONS**

	<b>2025</b>			<b>2024</b>
	<b>Total</b>	<b>Accumulated</b>	<b>Net</b>	<b>Net</b>
	<b><u>Contribution</u></b>	<b><u>Amortization</u></b>	<b><u>Contribution</u></b>	<b><u>Contribution</u></b>
Contributed surplus	\$ 936,627	\$ 936,627	\$ -	\$ -
Government grants	57,141,835	41,388,884	15,752,951	17,181,914
Westerner Park Foundation	<u>1,373,830</u>	<u>55,373</u>	<u>1,318,457</u>	<u>988,492</u>
	<b>\$ <u>59,452,292</u></b>	<b>\$ <u>42,380,884</u></b>	<b>\$ <u>17,071,408</u></b>	<b>\$ <u>18,170,406</u></b>

During the year, the Association recognized capital contributions of \$348,150 (2024 - \$1,504,358) and recorded amortization of capital contributions of \$1,370,981 (2024 - \$1,375,568).

**13. SHARE CAPITAL**

	<b>2025</b>	<b>2024</b>
Issued		
763 Class "A" common shares	<b>\$ <u>7,630</u></b>	<b>\$ <u>7,160</u></b>

During the year, 47 new shares were issued.

**14. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

The Association has entered into lease agreements for equipment. Minimum lease payments under these agreements are as follows:

2026	\$ 26,553
2027	19,338
2028	1,500
2029	<u>1,125</u>
	<b>\$ <u>48,516</u></b>

**THE WESTERNER EXPOSITION ASSOCIATION**  
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**13. COMMITMENTS AND CONTRACTUAL OBLIGATIONS (Continued)**

Agri-Trade Equipment Expo

In 2019, the Association entered into a joint venture agreement and co-operation agreement with the Red Deer & District Chamber of Commerce to produce Agri-Trade. The terms of the agreement dictate the distribution of net profits from the event.

Red Deer Rebels

In June 2020, the Association entered into a license agreement with Rebels Sports Ltd. ("the Rebels") to grant a license to the Rebels to use the Centrium for the operation of a hockey team for a term of seven years. The agreement expires on May 31, 2027.

Agri-Food Innovation Expo

In 2023, the Association entered into a three-year joint venture agreement with the Lethbridge & District Exhibition to produce the Agri-Food Innovation Expo event.

**15. RELATED PARTY TRANSACTIONS**

During the year, the Association entered into transactions with related parties:

- a) The Association recognized grants from the City of \$500,000 (2024 - \$nil).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In 2020, the Association and the City announced that financial challenges at the Association resulted in a request for support whereby the City assumed temporary financial oversight of the Association. A relationship framework was signed September 29, 2021, for a term of five years. Two City councillors have been appointed to the Association's Board and the City Manager attends meetings in an advisory capacity.

**16. ECONOMIC DEPENDENCE**

The Association continues to be economically dependent on its relationship with the City. During the year, the Association received operating grants of \$500,000 (2024 - \$nil) and loan financing of \$nil (2024 - \$1,000,000) from the City. The Association leases the totality of its lands from the City and benefits from its close relationship with various City departments. The Association also relies on executive support from the City and access to expertise not otherwise available to an organization of its size.

**17. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year method of presentation.

**THE WESTERNER EXPOSITION ASSOCIATION**  
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**18. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at March 31, 2025.

***Credit Risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its accounts receivable. The Association provides credit to its customers in the normal course of its operations. At year end, approximately 80% of accounts receivable was due from three parties.

***Liquidity Risk***

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and long term debt.

***Market Risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk and other price risk.

***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Association to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

***Other Price Risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investments in marketable securities and the Westerner Foundation Restricted Charitable Enhancement Fund.

**THE WESTERN EXPOSITION ASSOCIATION  
WESTERNER FOUNDATION - RESTRICTED CHARITABLE ENHANCEMENT FUND  
SCHEDULE OF ACTIVITIES  
YEAR ENDED MARCH 31, 2025**

	2025	2024
<b>REVENUE</b>		
Donations	\$ 503,287	\$ 316,450
Investment income	668,751	927,292
	<u>1,172,038</u>	<u>1,243,742</u>
<b>EXPENSES</b>		
Fundraising expenses	10,951	135,933
Investment management fees	51,512	51,197
	<u>62,463</u>	<u>187,130</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>		
<b>BEFORE DEFERRAL ADJUSTMENT</b>	<u>1,109,575</u>	<u>1,056,612</u>
<b>LESS DEFERRED CONTRIBUTIONS</b>	<u>(1,109,575)</u>	<u>(1,056,612)</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>
 <b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	 <b>\$ 8,397,032</b>	 <b>\$ 7,808,140</b>
<b>NET CONTRIBUTIONS RECEIVED</b>	<b>1,109,575</b>	<b>1,056,612</b>
<b>CONTRIBUTIONS RECOGNIZED</b>		
Capital programs	(348,150)	(463,720)
Innovation & Events	-	-
Education & Community Engagement	-	(4,000)
Other programs or services	(1,000,000)	-
	<u>(1,348,150)</u>	<u>(467,720)</u>
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<u><b>\$ 8,158,457</b></u>	<u><b>\$ 8,397,032</b></u>