



BMVA

BLUE MOUNTAIN VILLAGE ASSOCIATION

ANNUAL REPORT 2018-2019





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BLUE MOUNTAIN VILLAGE ASSOCIATION

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Vision, Mission and Strategic Goals

Vision

To be the first-choice, year-round destination for those seeking personalized and authentic experiences that create lasting memories.

Mission

An innovative Destination Management Organization which enhances and promotes the greater Blue Mountain experience to the benefit of Village stakeholders.

Strategic Goals

1. Optimize guest experience at the Village and neighboring experiences
2. Build and maintain world-class resort facilities and services
3. Provide fresh, relevant and iconic programs and events
4. Develop strategic partnerships to enhance collaboration and coordination with key stakeholders
5. Develop an integrated marketing strategy and program
6. Operate an innovative and sustainable Village Association

Board of Directors 2018-19

NAME	POSITION
Maurice Byrne Ravenna, ON	Director, Lodging
Darryl Gray <i>ceased February 2019</i> Wasaga Beach, ON	Director, Blue Mountain Resorts LP
James Henry Barrie, ON	Director/Chair, Blue Mountain Resorts LP
Paul Mondell Innisfil, ON	Vice President, Skyline Communities
Dan Skelton Blue Mountains, ON	Director, Blue Mountain Resorts LP
Steven Troster Toronto, ON	Director, Residential
Bill Vomvolakis Blue Mountains, ON	Director, Commercial
Peter Bordignon Blue Mountains, ON	Town Representative, The Blue Mountains
Andrew Siegart Meaford, ON	Director, Ex officio, President



President's Report

Blue Mountain Village Association (BMVA) delivered strong fiscal year results by remaining focused on its strategic goals. Highlights from this year include the following:

Optimize guest experience at the Village and neighboring experiences

BMVA updated key facility and public assets to elevate the guest and member experience and safety including outdoor lighting along the playground, new festival and event chairs and increased seating capacity, pavement of 3 entry pathways to Water Street from P2 parking lot, repaired Plunge change rooms and washrooms as well as added a new water feature. BMVA also commissioned a study of its public washroom facilities to identify current and future needs. The study included a survey of stakeholders, summer season guests and a review of the Village master plan.

2019/20 will see more lighting investments for the Water Street entrance to the Village, fencing installed along the Mill Pond and playground and washroom improvements made based on recommendations tabled in the recently completed washroom study.

Build and maintain world-class resort facilities and services

BMVA continued to raise the profile of our destination with the launch of the Blumination Dream Trail which added light installations and experiences throughout the Village. The program was designed to increase winter and mid-week visitation and delivered an average of 12000 visitors per week. In addition to attendance results, Blumination also bolstered our social and traditional media reach and won the prestigious 2019 Tourism Event of the Year award presented by Tourism Industry Association of Ontario.

2019/20 will see the Blumination Dream Trail increase in size, scope and duration due in part to a successful grant from the Ontario Government. This year's event will take place over the entire winter season, will see new installations and will include music alongside lighting throughout the trail.

Provide fresh, relevant and iconic programs and events

BMVA cultivated our local market and visiting friends & relatives via a new Wednesday night concert series, hosted integrated experiences for our Homeowner VIP offerings, (e.g., member-only cycling clinic), expanded the reach and yield from signature events through bigger name acts on the main stage, and continued to grow new event concepts such as Rainbow LGBTQ Ski, which tripled in size year over year.

2019/20 will see BMVA update its cycling event strategy, launch the Mountain Music Series, refine and elevate signature events as well as grow new event concepts and formats.

Develop strategic partnerships to enhance collaboration and coordination with key stakeholders

BMVA continued to advance the labour supply action plan, built relationships with new councilors, secured permanent increases to transit service, advanced the Town of The Blue Mountains Attainable Housing Corporation action plan through serving on its Board and successfully advocated for members in response to regulations such as cannabis retail, Municipal Accommodation Tax, sharing economy, local plastics ban, etc.

2019/20 will see a continued focus on these key priorities.

Develop an integrated marketing strategy and program

Working with our key Village stakeholders, BMVA continued its international market development in Asia, Europe, US and South America, increased support to ski marketing, and expanded FAM tours, media outreach and social media campaigns.



President's Report

2019/20 will see BMVA launch technology platforms to better market and service our destination including apps for the Village and Apple Pie Trail, harness user generated content to drive and measure engagement, conduct a guest intercept survey, develop an in-room shopping and dining guide, and launch a fall campaign to grow overnight visitation.

Operate an innovative and sustainable Village Association

BMVA's Board of Directors began a review of its By-law and brought forward a recommendation to the membership to add an additional Board seat for the lodging member class. BMVA also formed a homeowner member committee with an objective to form connections and improve communication among communities and to improve BMVA services.

2019/20 will see our Board of Directors prepare a full scale update to its By-law which will be approved by the membership.

Sincerely, Andrew

Andrew Siegart,
President



Treasurer's Report

Our Annual Report includes the audited operations for the fiscal year ending June 30, 2019 with comparative data from the previous fiscal year. We continue to operate using sound financial policies and procedures, as confirmed by our external audit by BDO Canada. We are in a strong financial position surpassing our budget for the fiscal year due to the sale of 50% of Village commercial assets as well as growth in Operations & Attractions and Resale activity.

Assets: This year saw the installation of the BLUE sign on the east side of the Mill Pond. This helped complete the 1.1km walking trail through the Village for our Blumination event and has proved to be a popular photo location for visitors and locals alike, showing up on a variety of social media platforms. We also paved the walkway between the parking lot and gazebo at the end of Water St., added light standards around the playground, replaced the fountain computer and purchased new chairs for the Village Plaza.

Revenues: Revenues from Basic Fees which are based on square footage of member properties increased \$29 thousand from last year as we welcomed 57 new members from the Crestview and Snowbridge developments. Rental royalty fees (VAF) increased \$14 thousand; a 1.2% increase over last year. There was a \$12 thousand increase in Sales royalty fees from commercial sales; a 3.1% increase over last year. Resale entry fees were up \$677 thousand despite a small decrease in units sold as average sale prices increased and a one-time fee on the sale of 50% of the Village commercial real estate was received. Attractions and Operations income increased by \$72 thousand combined an increase of 17%. Event revenue and sponsorships increased \$70 thousand over last year and includes a \$50 thousand Celebrate Ontario grant for Blumination and \$20 thousand in location fees for a Netflix series that was filmed last winter. Interest income increased \$23 thousand as we come close to achieving our savings goal of 12 months of expenditures. Other revenue decreased \$41 thousand as we completed the final phase of the South Georgian Bay Labour Supply Task Force Attainable Housing Study. Plunge! showed a loss of \$24 thousand, the first since 2014.

Expenses: Events and Marketing expenses were up \$179 thousand over last year. The increases in event marketing and production are directly related to Blumination which we found to be a major driver of visitation while it ran. These increases were partially offset by sponsorships & grants. Event administration costs increased \$65 thousand over the previous year due to the addition of a marketing staff member. Property Management expenses increased \$16 thousand over last year. Operations administration increased due to the addition of an in-house gardener and grounds keeper which lead to decreased 3rd party costs across a variety of categories and improved results. Security expenses were up \$29 thousand largely due to monthly maintenance and analytics licensing for our cameras. Administration costs decreased \$121 thousand from last year. Office Administration costs were down \$40 thousand due to a staff member retiring. Other expenses were down \$54 thousand as we completed the Attainable Housing Study, the majority of expenditures for this project were incurred in the previous year.

Capital Replacement: \$200 thousand was transferred to our Capital Reserve Fund as suggested by the Reserve Fund Study and \$50 thousand to our Capital Enhancement Fund for future improvements this year. \$112 thousand was spent from the Capital Reserve Fund made up of: \$69 thousand in repairs to walkways and retaining walls throughout the Village, \$16 thousand on a new fountain computer, \$11 thousand on an Alternate Solutions Proposal for planned security bollards and \$17 thousand on miscellaneous repairs to the Mill Pond boardwalk and Plunge!. With Capital Enhancement Funds we spent \$50 thousand paving the walkway between the parking lot and Water St. and \$20 thousand on light standards to illuminate the pathway beside the playground. These expenditures along with transfers to the funds increased our holdings in the Capital Reserve and Enhancement Funds by \$104 thousand year over year.

Sincerely,

Craig McIntyre
Treasurer and Manager, Finance & Administration



Independent Auditor's Report

To the Board of Directors and Members of the Blue Mountain Village Association

Opinion

We have audited the financial statements of the Blue Mountain Village Association, which comprise the balance sheet as at June 30, 2019, and the 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 accompanying financial statements present fairly, in all material respects, the financial position of the Blue Mountain Village Association as at June 30, 2019, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Management's Responsibility for the Financial Statements

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.



Independent Auditor's Report

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Owen Sound, Ontario
October 4, 2019

Balance Sheet

June 30	2019	2018
Assets		
Current		
Cash	\$ 211,973	\$ 379,226
Investments (Note 2)	3,994,244	2,634,277
Accounts receivable	359,949	280,803
Inventory	13,247	5,498
Prepaid expenditures	15,766	21,291
	4,595,179	3,321,095
Restricted assets (Note 3)	2,141,074	2,037,277
Capital assets (Note 4)	517,451	432,527
	\$ 7,253,704	\$ 5,790,899
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 579,713	\$ 531,226
Deferred revenue	151,695	177,926
	731,408	709,152
Net assets		
Net assets restricted for capital replacement (Page 5)	1,943,071	1,817,185
Net assets restricted for capital enhancement (Page 5)	198,003	213,203
Net assets invested in capital assets (Page 5)	517,451	432,527
Unrestricted net assets (Page 5)	3,863,771	2,618,832
	6,522,296	5,081,747
	\$ 7,253,704	\$ 5,790,899

Approved by:



President
Andrew Siegart



Chairman
James Henry

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

Statement of Changes in Net Assets

For the year ended June 30

	Restricted for Capital Replacement	Restricted for Capital Enhancement	Invested in Capital Assets	Unrestricted	2019	2018
Balance, beginning of the year	\$ 1,817,185	\$ 213,203	\$ 432,527	\$ 2,618,832	\$ 5,081,747	\$ 4,356,579
Excess of revenue over expenditures (expenditures over revenue) for the year	(58,338)	4,313	(154,690)	1,649,264	1,440,549	725,168
Invested in capital assets	(15,776)	(69,513)	239,614	(154,325)	-	-
Restricted assets (Note 6)	200,000	50,000	-	(250,000)	-	-
Balance, end of the year	\$ 1,943,071	\$ 198,003	\$ 517,451	\$ 3,863,771	\$ 6,522,296	\$ 5,081,747

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

Statement of Operations

For the year ended June 30	2019	2018
Revenue		
Basic fees	\$ 883,993	\$ 854,908
Rental royalty fees	1,171,941	1,157,978
Sales royalty fees	392,367	380,411
Attractions	222,752	175,390
Original sale entry fees	120,057	106,891
Resale entry fees	1,174,291	497,036
Operations revenue fees	272,946	248,314
Associate members' fees	33,307	33,307
Event revenue and sponsorships	276,097	205,629
Interest income	62,950	39,489
Other	31,435	72,363
	<u>4,642,136</u>	<u>3,771,716</u>
Expenditures (Schedule 1)	<u>3,003,494</u>	<u>2,929,436</u>
Excess of revenue over expenditures	<u>1,638,642</u>	<u>842,280</u>
Other income (expenditures)		
Amortization of capital assets	(120,434)	(94,381)
Capital replacement expenditures	(96,558)	(67,307)
Interest income - capital replacement and enhancement	42,533	35,586
	<u>(174,459)</u>	<u>(126,102)</u>
Net income from operations - Plunge! (Schedule 2)	<u>(23,634)</u>	<u>8,990</u>
Excess of revenue over expenditures for the year	<u>\$ 1,440,549</u>	<u>\$ 725,168</u>

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

Statement of Cash Flows

<u>For the year ended June 30</u>	<u>2019</u>	<u>2018</u>
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	\$ 1,440,549	\$ 725,168
Items not involving cash		
Amortization of capital assets	120,434	94,381
Amortization of capital assets - Plunge!	34,256	23,924
	<u>1,595,239</u>	843,473
Changes in non-cash working capital balances		
Accounts receivable	(79,146)	(39,255)
Inventory	(7,749)	450
Prepaid expenditures	5,525	(2,054)
Accounts payable and accrued liabilities	48,487	(22)
Deferred revenue	(26,231)	25,723
	<u>1,536,125</u>	828,315
Investing activities		
Increase in restricted investments	(103,797)	(310,218)
Increase in investments	(1,359,967)	(104,720)
Purchase of capital assets	(239,614)	(195,396)
	<u>(1,703,378)</u>	(610,334)
Increase (decrease) in cash during the year	(167,253)	217,981
Cash position, beginning of the year	379,226	161,245
Cash position, end of the year	\$ 211,973	\$ 379,226

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



Notes to Financial Statements

June 30, 2019

1. Summary of Significant Accounting Policies

Nature and Purpose of Organization

The Blue Mountain Village Association is a not-for-profit corporation incorporated without share capital under the Blue Mountain Village Association Act. The Association is responsible for the management and maintenance of the public spaces in the Blue Mountain Village, special events, marketing and other activities related to the Blue Mountain Village. Blue Mountain Village is located in the Town of The Blue Mountains.

The corporation is considered a non-profit corporation under the Income Tax Act and is exempt from income taxes.

Basis of Accounting

These statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

These financial statements consolidate the accounts of the Blue Mountain Village Association general operations and the operations of the Plunge! Aqua Centre.

Revenue Recognition

Revenue is recognized when the conditions in the contracts are met and ultimate collection is reasonably assured.

Multi-day pass revenue is recorded when the pass is redeemed or when the expiration date is reached.

Gift certificate revenue is recorded when the certificate is redeemed or after one year from the issue date if not redeemed in that time.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.

Capital Assets

Capital assets are recorded at cost.

Amortization is based on the estimated useful life of the assets and is calculated on a straight-line basis, using the half-year rule, over the following periods:



Notes to Financial Statements (Continued)

June 30, 2019

1. Summary of Significant Accounting Policies - (continued)

Capital Assets (continued)

Computers	- 2 years
Equipment	- 5 years
Outdoor furniture and fixtures	- 5 years
Automotive equipment	- 3.3 years

Net Assets Restricted for Capital Replacement

Certain asset components located in the public spaces of Blue Mountain Village are the responsibility of Blue Mountain Village Association. These components include infrastructure (e.g. road surfaces, sidewalks, curbs, pavers, underground irrigation systems, street lighting, and water, storm sewer and sewer lines) and amenities (e.g. mill pond, fountain and gondola cars).

A portion of the Association's net assets have been restricted to create a capital reserve fund for the replacement of these public infrastructure and amenities. A capital reserve fund study has been completed and is updated every three years. The reserve fund study was updated in May 2018.

The annual funding requirement for the capital reserve fund is determined by the reserve fund study to ensure sufficient funds are available for future costs. Budgeted transfers to the capital reserve fund are recorded when approved by the Board of Directors and are funded prior to year-end. The annual transfers to the capital reserve fund are invested in instruments that are municipal securities rated AAA or investments rated A-1/P-1 or better by Standard and Poor's Corporation and Moody's Investor Services. Interest earned is reinvested.

Any expenditure from the capital reserve fund can only be utilized for a specific infrastructure or amenity component. The expenditure must be approved in writing by the President and, if it exceeds \$50,000, must also be approved by the Board of Directors.

Net Assets Restricted for Capital Enhancement

A portion of the Association's net assets have been restricted to create a capital enhancement fund for new capital items which will maintain our competitive advantage as a unique village experience.

Notes to Financial Statements (Continued)

June 30, 2019

1. Summary of Significant Accounting Policies - (continued)

The annual funding requirement for the capital enhancement fund is determined by the Board of Directors. Transfers to the capital enhancement fund are recorded when approved by the Board of Directors and are funded prior to year-end.

Any expenditure from the capital enhancement fund can only be utilized for a specific infrastructure or amenity component.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instruments for those measured at amortized cost.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include accrued liabilities and the estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Investments

	2019	2018
Cash	\$ 184,685	\$ -
Guaranteed investment certificate, redeemable, 2.9%, matures June 2022	250,000	-
Guaranteed investment certificates, non-redeemable, 1.6% to 3.11%, matures October 2019 to May 2023	3,559,559	2,634,277
	<u>\$ 3,994,244</u>	<u>\$ 2,634,277</u>

Notes to Financial Statements (Continued)

June 30, 2019

3. Restricted Assets

These funds are restricted for the replacement and enhancement of public infrastructure and amenities in the Blue Mountain Village and are not available for other purposes.

	<u>2019</u>	<u>2018</u>
Capital Replacement		
Cash	\$ 146,896	\$ -
Ontario Savings Bonds, 2.1%, matures June 2021	100,000	100,000
Guaranteed investment certificates, non-redeemable, 1.55% to 2.94%, mature September 2019 to October 2021	1,482,661	1,513,291
Guaranteed investment certificate, redeemable, 2.3%, matures September 2019	100,000	100,000
Guaranteed investment certificate, stated interest 2.0%, effective interest of 1.893%, matures January 2020	53,857	53,857
Accrued interest	<u>59,657</u>	<u>57,934</u>
	<u>\$ 1,943,071</u>	<u>\$ 1,825,082</u>
Capital Enhancement		
Cash	\$ 5,941	\$ 2,251
Guaranteed investment certificates, non-redeemable, 2.25% to 2.36%, mature July 2019 to June 2020	190,000	204,200
Accrued interest	<u>2,062</u>	<u>5,744</u>
	<u>198,003</u>	<u>212,195</u>
	<u>\$ 2,141,074</u>	<u>\$ 2,037,277</u>

Notes to Financial Statements (Continued)

June 30, 2019

3. Restricted Assets (continued)

Amounts owing to (from) operating fund by capital replacement and enhancement funds consist of the following balances not shown on the balance sheet.

	2019	2018
Due to (from) operating		
Capital replacement	\$ -	\$ 7,897
Capital enhancement	-	(1,008)
	<u>\$ -</u>	<u>\$ 6,889</u>

4. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Common lands	\$ 4	\$ -	\$ 4	\$ -
Plunge! Aquatic Centre	2	-	2	-
Computers	16,604	14,888	16,604	11,455
Equipment	235,789	92,209	155,125	57,652
Outdoor furniture and fixtures	667,140	306,864	511,781	195,510
Automotive equipment	25,524	13,653	21,931	8,305
Gondola cars	2	-	2	-
	<u>\$ 945,065</u>	<u>\$ 427,614</u>	<u>\$ 705,449</u>	<u>\$ 272,922</u>
Net book value		<u>\$ 517,451</u>		<u>\$ 432,527</u>

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances of \$65,101 (2018 - \$60,943).

Notes to Financial Statements (Continued)

June 30, 2019

6. Restrictions on Net Assets

During the year, the Association's Board of Directors restricted \$250,000 (capital replacement \$200,000, capital enhancement \$50,000) of unrestricted net assets to be held for replacement and enhancement of public infrastructure and amenities in the Blue Mountain Village. This restricted amount is not available for other purposes without the approval of the Board of Directors.

7. Related Party Transactions

Blue Mountain Resorts LP, Skyline Blue Mountain Village Inc. and Diamond Resorts Canada Limited o/a Embarc Blue Mountain (formerly Club Intrawest) are members of the Association.

At June 30th there were various balances owing from and owing to Blue Mountain Resorts LP, Skyline Blue Mountain Village Inc. and Embarc Blue Mountain. These are summarized below:

Included in accounts receivable:

	<u>2019</u>	<u>2018</u>
Blue Mountain Resorts LP	\$ 228,977	\$ 173,258
Skyline Blue Mountain Village Inc.	730	638
	<u>\$ 229,707</u>	<u>\$ 173,896</u>

Included in accounts payable and accrued liabilities:

	<u>2019</u>	<u>2018</u>
Blue Mountain Resorts LP	\$ 155,765	\$ 140,389

During the year fees were received from Blue Mountain Resorts LP, Embarc Blue Mountain and Skyline Blue Mountain Village Inc. as follows:

	<u>2019</u>	<u>2018</u>
Blue Mountain Resorts LP	\$ 796,020	\$ 743,666
Embarc Blue Mountain	61,148	58,605
	<u>\$ 857,168</u>	<u>\$ 802,271</u>



Notes to Financial Statements (Continued)

June 30, 2019

7. Related Party Transactions (continued)

During the year amounts were paid to Blue Mountain Resorts LP for maintenance of the public facilities and amenities, transportation, security, and other services performed as follows:

	<u>2019</u>	<u>2018</u>
Blue Mountain Resorts LP	<u>\$ 1,031,442</u>	<u>\$ 1,019,714</u>

During the year the Association received amounts from Board members and/or companies controlled by Board members for resale entry fees at 2% of the sales price as per the By-laws.

All related party transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration agreed to by the related parties), which approximates the arm's length equivalent value.

Included in commitments (Note 8) are commitments to related parties totaling \$1,103,183.

8. Commitments

The Association has entered into operating lease agreements for office and computer equipment. The Association has also entered into agreements for various maintenance activities and security. The agreements will expire in 2020 - 2023. The amount payable over the next four years is as follows:

2020	\$ 509,718
2021	\$ 359,875
2022	\$ 345,370
2023	\$ 28,314

9. Contingent Liability

The Association has been named as a co-defendant in a claim filed in September 2017 for alleged damages of \$425,000. The former supplier's claim is currently being assessed by the Association's legal representatives and the outcome is not determinable at the present time.

There are two claims relating to the same incident filed for alleged damages of \$20,000,000 and \$21,500,000 respectively. The claims name multiple defendants and third parties. The Association has been named as a third party in January 2019 for the first claim and a defendant in August 2019 for the second. The claims are currently being assessed by the Association's legal representatives and the outcome is not determinable at the present time.



Notes to Financial Statements (Continued)

June 30, 2019

10. Financial Instrument Risk

The Association is exposed to risks that arise from its use of financial instruments. This note describes the Association's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive change in the Association's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

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 arising from changes in interest rates affecting the value of fixed income denominated investments.

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 is exposed to credit risk resulting from the possibility that a member could default on their receivables. The Association is exposed to concentrations of credit risk as the receivables are primarily from members located within the Blue Mountain Village. These credit risks are mitigated by Bill PR14 (incorporating legislation) and the Association's general bylaws.

The Association is exposed to credit risk arising from cash and investments. On June 30, 2019, the Association had \$6,171,745 in cash and investments in forty-five different Canadian Deposit Insurance Corporation (CDIC) member institutions. The CDIC insures a maximum of \$100,000 per depositor per member institution. The total amount at member institutions in excess of \$100,000 that is not insured for investments is \$1,212,734 and for the bank is \$128,339. On June 30, 2019 the Association had investments of \$250,218 in an Ontario Credit Union. The Deposit Insurance Corporation of Ontario (DICO) insures deposits to a maximum of \$250,000 per depositor. The total amount at Ontario Credit Unions in excess of \$250,000 that is not insured is \$218. The Association mitigates the credit risk by investing only in instruments that are municipal securities rated AAA or investments rated A-1/P-1 or better by Standard and Poor's Corporation and Moody's Investor Services.

Liquidity Risk

Liquidity risk is the risk that the Association encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities. To manage this risk, the Association maintains adequate cash balances and strong working capital.

Schedule 1 - Expenditures

For the year ended June 30	2019	2018
Expenditures		
Events and Marketing		
Total destination marketing	\$ 53,690	\$ 77,571
Event marketing	238,003	208,742
Production	680,692	565,671
Insurance	12,000	11,004
Event administration	348,690	283,532
Equipment and fixtures	26,730	33,818
	<u>1,359,805</u>	<u>1,180,338</u>
Property management		
Attractions	15,147	11,565
Cleaning and waste removal	84,282	85,533
Landscaping	181,807	194,895
Mill pond	18,847	31,840
Operations administration	106,173	83,123
Repairs and maintenance	5,894	5,565
Seasonal decorations and banners	88,767	97,389
Security	323,563	294,285
Shuttle service	176,805	174,263
Signage	4,124	7,446
Snow clearing	88,292	92,095
Utilities	13,656	12,436
Water and sewer lines	5,820	7,004
	<u>1,113,177</u>	<u>1,097,439</u>
Administration		
Bank charges and interest	3,731	2,662
Charitable/community contributions	2,940	3,628
Consulting fees	6,751	7,650
Government relations	3,725	10,046
Insurance	18,599	20,724
Member communications	38,516	30,205
Office administration	335,457	375,139
Office expenses	34,155	49,211
Other	13,638	67,931
Printing and stationery	3,334	4,562
Professional fees	20,577	30,281
Rent	32,093	30,943
Repairs and maintenance	4,992	4,103
Telephone	4,463	5,829
Travel	7,541	8,745
	<u>530,512</u>	<u>651,659</u>
	<u>\$ 3,003,494</u>	<u>\$ 2,929,436</u>

Schedule 2 - Plunge! Statement of Operations

For the year ended June 30	2019	2018
Revenue		
Daily entrance fees	\$ 899,955	\$ 819,086
Season pass fees	12,183	13,456
Discounts	(45,045)	(39,516)
Lessons	45,707	36,212
Retail sales	52,521	49,729
Kids camp	46,347	65,284
Other	16,199	14,041
	1,027,867	958,292
Expenditures		
Advertising and marketing	17,476	20,664
Amortization of capital assets	34,256	23,924
Bank charges and interest	9,435	7,744
Cleaning and chemicals	75,005	71,024
Employee uniforms	565	596
Insurance	35,604	32,901
Leases	14,082	14,707
Management fees	61,672	57,547
Contract services	58,669	60,958
Municipal taxes	11,431	10,886
Office expenses	6,908	3,043
Professional certification	22,827	2,581
Professional fees	4,800	5,035
Purchases	31,221	31,166
Security	237	533
Telephone	4,837	4,052
Utilities	231,748	195,981
Wages and benefits	409,644	387,277
Repairs and maintenance	21,045	17,358
Kids camp	39	1,325
	1,051,501	949,302
Net income (loss) from operations	\$ (23,634)	\$ 8,990

Management Reports - 5 Year Balance Sheet

	June 2015	June 2016	June 2017	June 2018	June 2019
Assets					
Current Assets					
Cash	\$ 261,882	\$ 301,006	\$ 161,245	\$ 379,226	\$ 211,973
Investments	1,339,816	1,692,614	2,529,557	2,634,277	3,994,244
Accounts Receivable	170,619	194,617	241,548	280,803	359,949
Inventory	14,417	10,149	5,948	5,498	13,247
Prepaid Expenditures	8,669	11,984	19,237	21,291	15,766
	<u>1,795,403</u>	<u>2,210,370</u>	<u>2,957,535</u>	<u>3,321,095</u>	<u>4,595,179</u>
Restricted assets	1,593,576	1,619,358	1,727,059	2,037,277	2,141,074
Capital assets	<u>115,491</u>	<u>208,643</u>	<u>355,436</u>	<u>432,527</u>	<u>517,451</u>
	<u>\$ 3,504,470</u>	<u>\$ 4,038,371</u>	<u>\$ 5,040,030</u>	<u>\$5,790,899</u>	<u>\$7,253,704</u>
Liabilities and Net Assets					
Current					
Accounts payable and accrued liabilities	\$ 581,937	\$ 568,457	\$ 531,248	\$ 531,226	\$ 579,713
Deferred Revenue	105,389	149,129	152,203	177,926	151,695
	<u>687,326</u>	<u>717,586</u>	<u>683,451</u>	<u>709,152</u>	<u>731,408</u>
Net assets					
Restricted for capital replacement	1,370,750	1,469,779	1,453,290	1,817,185	1,943,071
Restricted for capital enhancement	222,826	149,579	273,769	213,203	198,003
Invested in capital assets	115,491	208,643	355,436	432,527	517,451
Unrestricted	1,108,077	1,492,784	2,274,084	2,618,832	3,863,771
	<u>2,817,144</u>	<u>3,320,785</u>	<u>4,356,579</u>	<u>5,081,747</u>	<u>6,522,296</u>
	<u>\$ 3,504,470</u>	<u>\$ 4,038,371</u>	<u>\$ 5,040,030</u>	<u>\$5,790,899</u>	<u>\$7,253,704</u>

Management Reports - 5 Year Statement of Operations

	June 2015	June 2016	June 2017	June 2018	June 2019
Revenues:					
Basic fees	\$ 828,919	\$ 836,487	\$ 838,000	\$ 854,908	\$ 883,993
Village Amenity Fees	875,052	956,365	1,072,162	1,157,978	1,171,941
Sales royalty fees	330,930	359,264	369,392	380,411	392,367
Original sale entry fees	-	-	24,042	106,891	120,057
Resale entry fees	334,587	382,584	871,927	497,036	1,174,291
Operations and Attractions	324,954	305,836	371,603	423,704	495,698
Associate Members' fees	35,360	35,210	33,307	33,307	33,307
Event revenue and sponsorships	149,847	203,590	286,945	205,629	276,097
Interest income	24,999	27,726	36,943	39,489	62,950
Other	5,319	5,578	7,195	72,363	31,435
Plunge Aquatic Centre	938,576	1,047,567	1,016,790	958,292	1,027,867
	<u>3,848,543</u>	<u>4,160,207</u>	<u>4,928,306</u>	<u>4,730,008</u>	<u>5,670,003</u>
Expenses:					
Marketing	\$ 68,371	\$ 56,291	\$ 63,919	\$ 77,571	\$ 53,690
Events	937,789	1,007,884	1,116,005	1,102,767	1,306,115
Property Management	881,482	905,950	995,320	1,097,439	1,113,177
Administration	581,443	639,034	583,699	651,659	530,512
Plunge Aquatic Centre	934,668	955,526	905,058	949,302	1,051,501
Expenditures	<u>3,403,753</u>	<u>3,564,685</u>	<u>3,664,001</u>	<u>3,878,738</u>	<u>4,054,995</u>
Other income (expenditures):					
Amortization of capital assets	(28,925)	(45,114)	(64,608)	(94,381)	(120,434)
Capital replacement	(57,469)	(80,827)	(196,604)	(67,307)	(96,558)
Capital enhancement	-	-	-	-	-
Interest - capital replacement and enhancement	29,284	34,060	32,701	35,586	42,533
	<u>(57,110)</u>	<u>(91,881)</u>	<u>(228,511)</u>	<u>(126,102)</u>	<u>(174,459)</u>
Excess of revenue over expenses	<u>\$ 387,680</u>	<u>\$ 503,641</u>	<u>\$ 1,035,794</u>	<u>\$ 725,168</u>	<u>\$1,440,549</u>
Note:					
Plunge Aquatic Centre Revenue	938,576	1,047,567	1,016,790	958,292	1,027,867
Plunge Aquatic Centre Expense	934,668	955,526	905,058	949,302	1,051,501
Plunge (loss) gain for year	<u>3,908</u>	<u>92,041</u>	<u>111,732</u>	<u>8,990</u>	<u>(23,634)</u>

APPLE HARVEST FESTIVAL

Thanksgiving Weekend

Live Entertainment
Fall Colour Driving Routes
Family Fun!

October 6-8

Blue Mountain Village
Clarksburg • Thornbury

20th Anniversary FIREWORKS

FREE SHUTTLE

Every Thanksgiving we celebrate the harvest in Ontario's largest apple grove

BLUE MOUNTAIN VILLAGE PRESENTS

BLUMINATION™ DREAM TRAIL

DECEMBER 1 - JANUARY 6
5 - 10PM

Blumination Dream Trail is a magical, illuminated winter stroll through the Village, around the Mill Pond and brought through your imagination.

It's a holiday celebration every day of the week, with interactive light shows and an experience like no other. Weekends bring Saturday night fireworks, horse and wagon rides and visits with Santa.

BLUMINATION.CA

Easter in the Village

2019

April 19-21

Free

Easter Scavenger Hunt
11am-5pm, 12pm-5pm, Saturday 10am-5pm
Village's Entertainment Centre

M.J. Byrnes
ROSE & WATSON K&P
12-2pm, Friday, Saturday & Sunday

Magic Show
with Sawyer Bullock
2pm, Friday, Saturday & Sunday

Interactive Priming
2pm, Friday, Saturday & Sunday

W/ WING'S CHEESECAKE
Evening Contest
3pm, Saturday & Sunday

Free professional photos
10am-5pm, Saturday & Sunday

Plus

Plunge! Aquatic Centre
11am-5pm, Friday, Saturday & Sunday

Large Summer Mountain Coaster
12-4pm, Friday, Saturday & Sunday

Woolnet Low Ropes
1-3pm, Friday, Saturday & Sunday

Creation station: Make your own Button
1-3pm, Friday, Saturday & Sunday

Crack A Poobie Pottery
4-4:30pm, Friday, Saturday & Sunday

Pining Special

Oliver & Bonomi café grill
Easter Brunch Buffet
10am - 2pm
100 Locals, 100% Village (705.444.8882)

BLUE MOUNTAIN VILLAGE PRESENTS

FAMILY WEEKEND

SATURDAY FEB 16

10:30am Columbia Guided Snowshoe Tour
11am-5pm Village Scavenger Hunt
12pm Joe Carling Demonstration
12-2pm Interactive Snowing with Bantabush
12-4pm Tally on Snow
1-3pm DJ Party with DJ 2be
3pm Interactive Snowing Princess
4-5pm Tally on Snow
Fireworks Presented by The Blue Mountains Over the Hill

SUNDAY FEB 17

10:30am Columbia Guided Snowshoe Tour
11am-5pm Village Scavenger Hunt
12pm Interactive Snowing with Bantabush
1-3pm DJ Party with DJ 2be
3-5:30pm Snowing Snowflake Princess
3-4pm Magic Show with Chris Westall
4-4:30pm Interactive Snowing with Bantabush

MONDAY FEB 18

10:30am Columbia Guided Snowshoe Tour
11am-5pm Village Scavenger Hunt
11am Birds of Prey Show
12-4pm Interactive Snowing Dancing Tally on Snow
1pm Birds of Prey Show
2-2:30pm Interactive Snowing with Bantabush
3pm Birds of Prey Show

BLUE MOUNTAIN VILLAGE PRESENTS

COUNTRY CROSSROADS

JULY 20

FEATURING DAVID JAMES

SATURDAY 8PM

THE REDHILL
LIVE COUNTRY SWIM

LITTLE BUCK
SATURDAY 5:30

Blue Mountain Village Presents

GUITAR TRAIL™

SEPT. 8 2018
1-4PM

Follow the Guitar Trail™ up, down and around the Blue Mountain Village & the Village Way hiking trail to discover over 50 entertainers.

FREE AUG. 15 PERFORMANCE
8PM LOCAL-COLA VILLAGE STAGE

BLUE MOUNTAIN VILLAGE PRESENTS

A special tribute to THE LAST WALTZ

FREE AUG. 15 PERFORMANCE
8PM LOCAL-COLA VILLAGE STAGE

A special tribute to The Last Waltz by Mother's Day celebrating one of the most iconic music from The 70's

BLUE MOUNTAIN VILLAGE PRESENTS

march break

MARCH 9-16

ASTRONOMY: A MARSHALING TOUR OF THE UNIVERSE
MARCH 10 7-9

MAGIC SHOW WITH SHAWNEE BULLOCK
WEDNESDAY 12-2

THE AMAZING WIRELESS RACE
FRIDAY 11

THE RINGING VILLAGE RING
SATURDAY 11

MOSAIC WORLD MUSIC

FREE PUPPET ALL WEEK

AUGUST 4-6

FEATURING
CIBC MUSIC FAVORITE
LATIN GRAMMY AND JUNG WINNER
ALEX CUBA

BLUE MOUNTAIN VILLAGE presents

may long weekend

MAY 18-20 2019

Saturday

- 10:30am - 12:00pm: Live Music: The Blue Mountains
- 12:00pm - 1:00pm: Live Music: The Blue Mountains
- 1:00pm - 2:00pm: Live Music: The Blue Mountains
- 2:00pm - 3:00pm: Live Music: The Blue Mountains
- 3:00pm - 4:00pm: Live Music: The Blue Mountains
- 4:00pm - 5:00pm: Live Music: The Blue Mountains
- 5:00pm - 6:00pm: Live Music: The Blue Mountains
- 6:00pm - 7:00pm: Live Music: The Blue Mountains
- 7:00pm - 8:00pm: Live Music: The Blue Mountains
- 8:00pm - 9:00pm: Live Music: The Blue Mountains
- 9:00pm - 10:00pm: Live Music: The Blue Mountains
- 10:00pm - 11:00pm: Live Music: The Blue Mountains
- 11:00pm - 12:00am: Live Music: The Blue Mountains

Sunday

- 10:30am - 12:00pm: Live Music: The Blue Mountains
- 12:00pm - 1:00pm: Live Music: The Blue Mountains
- 1:00pm - 2:00pm: Live Music: The Blue Mountains
- 2:00pm - 3:00pm: Live Music: The Blue Mountains
- 3:00pm - 4:00pm: Live Music: The Blue Mountains
- 4:00pm - 5:00pm: Live Music: The Blue Mountains
- 5:00pm - 6:00pm: Live Music: The Blue Mountains
- 6:00pm - 7:00pm: Live Music: The Blue Mountains
- 7:00pm - 8:00pm: Live Music: The Blue Mountains
- 8:00pm - 9:00pm: Live Music: The Blue Mountains
- 9:00pm - 10:00pm: Live Music: The Blue Mountains
- 10:00pm - 11:00pm: Live Music: The Blue Mountains
- 11:00pm - 12:00am: Live Music: The Blue Mountains

Monday

- 10:30am - 12:00pm: Live Music: The Blue Mountains
- 12:00pm - 1:00pm: Live Music: The Blue Mountains
- 1:00pm - 2:00pm: Live Music: The Blue Mountains
- 2:00pm - 3:00pm: Live Music: The Blue Mountains
- 3:00pm - 4:00pm: Live Music: The Blue Mountains
- 4:00pm - 5:00pm: Live Music: The Blue Mountains
- 5:00pm - 6:00pm: Live Music: The Blue Mountains
- 6:00pm - 7:00pm: Live Music: The Blue Mountains
- 7:00pm - 8:00pm: Live Music: The Blue Mountains
- 8:00pm - 9:00pm: Live Music: The Blue Mountains
- 9:00pm - 10:00pm: Live Music: The Blue Mountains
- 10:00pm - 11:00pm: Live Music: The Blue Mountains
- 11:00pm - 12:00am: Live Music: The Blue Mountains

BLUE MOUNTAIN VILLAGE PRESENTS

PEAK to SHORE

MUSIC FESTIVAL

5 DAYS, 10+ VENUES
30+ FREE CONCERTS

FEATURING BUSTY AND THE BASS

SATURDAY JULY 7, 8PM LOCAL-COLA VILLAGE STAGE

A CHRIS SCERRI PRESENTS EVENT
PAUL REDDICK

THURSDAY JULY 5, 8PM LOCAL-COLA VILLAGE STAGE

M'WIK'WESONG PRESENTS

INDIGENOUS FESTIVAL

MINDI BHAZZWIN

FRIDAY AUGUST 24
SATURDAY AUGUST 26

WINGS & FEATHERS
CRAFTS
PARTICIPATE in the Indigenous Cultural Exchange

LIGHT SHINE

TRADING ROOTS

MOBE EVENTS
Cultural Learning
Cultural Exchange
Cultural Exchange
Cultural Exchange

Tapestry

the CAROLE KING SONGBOOK

WEDNESDAY AUGUST 1 8PM

A beautiful re-creation of the sounds and style of Carole King follows her legendary album Tapestry. Carole King is without question the most accomplished and most successful female songwriter to pop music history. This CD is a tribute to her music and the millions of fans who have loved it since 1971.

11th Annual

SALSA at BLUE MOUNTAIN

JUNE 21-23

BLUES SHIM

LIVE MUSIC

DANCE LESSON

PHOTOGRAPHY

BLUE MOUNTAIN VILLAGE THORNBURY

SUMMER SUNDOWN

August 18-19

SATURDAY SEPTEMBER 1

- 10:30am - 12:00pm: SCAVENGER HUNT
- 12:00pm - 1:00pm: COLUMBIA GUIDED HIRE
- 1:00pm - 2:00pm: STORY TIME BY THE POND
- 2:00pm - 3:00pm: MAKE YOUR OWN NUTTON (S)
- 3:00pm - 4:00pm: INTERACTIVE LEARNING WITH SHAWNEE BULLOCK
- 4:00pm - 5:00pm: LIVE MUSIC: THE BLUE MOUNTAINS
- 5:00pm - 6:00pm: INTERACTIVE FAMILY SCIENCE EXPERIMENT

SUNDAY SEPTEMBER 2

- 10:30am - 12:00pm: SCAVENGER HUNT
- 12:00pm - 1:00pm: COLUMBIA GUIDED HIRE
- 1:00pm - 2:00pm: STORY TIME BY THE POND
- 2:00pm - 3:00pm: MAKE YOUR OWN NUTTON (S)
- 3:00pm - 4:00pm: INTERACTIVE LEARNING WITH SHAWNEE BULLOCK
- 4:00pm - 5:00pm: LIVE MUSIC: THE BLUE MOUNTAINS
- 5:00pm - 6:00pm: INTERACTIVE FAMILY SCIENCE EXPERIMENT

MONDAY SEPTEMBER

- 10:30am - 12:00pm: SCAVENGER HUNT
- 12:00pm - 1:00pm: COLUMBIA GUIDED HIRE
- 1:00pm - 2:00pm: STORY TIME BY THE POND
- 2:00pm - 3:00pm: MAKE YOUR OWN NUTTON (S)
- 3:00pm - 4:00pm: INTERACTIVE LEARNING WITH SHAWNEE BULLOCK
- 4:00pm - 5:00pm: LIVE MUSIC: THE BLUE MOUNTAINS
- 5:00pm - 6:00pm: INTERACTIVE FAMILY SCIENCE EXPERIMENT

BLUE MOUNTAIN VILLAGE PRESENTS

village Vibe

WEEKEND AUG. 18-19

Saturday August 18

- 10am-8pm Scavenger Hunt
- 10:30am Columbia Guided Hire
- 12-3pm Story Time by the Pond
- 1-4pm Magic Show with Sawyer Bullock
- 3pm Make your own Button (S)
- 4pm Wild Wing Cheesecake Cafe
- 5-7pm Live Music with JANE'S PARTY
- 7-9pm Live Music with CHAD PRICE
- Featuring RICE & MANGO

Sunday August 19

- 10am-8pm Scavenger Hunt
- 10:30am Columbia Guided Hire
- 12-3pm Make your own Button (S)
- 3pm Interactive Family Science
- 4pm Wild Wing Cheesecake Cafe
- 5-7pm Live Music with JANE'S PARTY
- 7-9pm Live Music with CHAD PRICE
- Featuring RICE & MANGO