













BMVA

BLUE MOUNTAIN VILLAGE ASSOCIATION

2025 | 2026

ANNUAL REPORT















TABLE OF CONTENTS

Vision, Mission and Strategic Goals 1
Board of Directors 2025-26

President's Report 2

Treasurer's Report 3

Independent Auditor's Report 5

Financial Statements

Balance Sheet 7

Statement of Changes in Net Assets 8

Statement of Operations 9

Statement of Cash Flows 10

Notes to Financial Statements 11-20

Schedule 1 - Expenditures 21

Schedule 2 - Plunge! Statement of Operations 22

Management Reports

5 Year Balance Sheet 23

5 Year Statement of Operations 24

BLUE MOUNTAIN VILLAGE ASSOCIATION
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Vision, Mission and Strategic Goals

Vision

To be Canada's leading four-season mountain village destination, renowned for its natural beauty, welcoming spirit, and exceptional guest experiences that enrich each visit and protect the land for generations to come.

Mission

To inspire unforgettable experiences by offering world-class mountain amenities, sustainable tourism, and welcoming hospitality in every season, delivering meaningful benefits to our staff, members, visitors, and stakeholders.

Strategic Goals 2026-2030

1. Elevate Brand, Events & Experiences
2. Preserve & Enhance Functionality of Village Assets
3. Strengthen Communication & Collaboration with Staff, Members & Stakeholders
4. Manage a Sustainable TBM DMO

Board of Directors 2025-26

NAME	POSITION
Jack Wasserman Thornhill, ON	Director Chair, Lodging
Mark Burton Blue Mountains, ON	Director, Residential
Renee Shorter Oakville, ON	Director, Lodging
Jimmy Mavrakakis Blue Mountains, ON	Director, Commercial
Jesse Hamilton Collingwood, ON	Director, Blue Mountain Resorts LP
Dan Skelton Blue Mountains, ON	Director, Blue Mountains Resorts LP
Stacy Manning Collingwood, ON	Director, Blue Mountain Resorts LP
Mark Goldberg Toronto, ON	Director, Freed Development Group
Peter Bordignon Blue Mountains, ON	Town Representative, The Blue Mountains

President's Report

This past year marked an important milestone for BMVA as we completed our first full year with the Municipal Accommodation Tax (MAT), launched the new EXPLORE BLUE destination brand, and began putting funding to work to grow overnight visitation and strengthen our position in an increasingly competitive tourism market.

Our team remained focused on delivering meaningful value for members while advancing our strategic priorities. Through the Craigleith Working Group, we continued to support community improvements, including pedestrian safety, trail networks, and plans for a new community park. Our Member Privilege Program also continued to enhance experiences through shuttle services, VIP events, and exclusive beach access.

A key strategic priority is to Preserve and Enhance the Functionality of Village Assets. As Plunge! celebrates its 20th year and much of the Village's infrastructure approaches 25 years of service, maintaining safe, functional, and welcoming public spaces is increasingly important. Investments in security and traffic-counting cameras, year-round festivals and events, winter lights and garland, and ongoing asset maintenance contribute to the character, vibrancy, and world-class experiences that distinguish our destination.

With the launch of EXPLORE BLUE, we have established a stronger foundation for destination marketing, supported by the Town's five-year Destination Strategy. MAT funding is helping us build brand awareness, attract overnight visitors, and invest in marketing initiatives that support our members and the broader regional economy. Our focus is on attracting visitors who stay longer, explore more, and contribute to the vitality of our businesses and community.

Our advocacy efforts continue to prioritize the Resort Condominium Property Class, which is essential to protecting the interests of our lodging members and the long-term strength of our tourism economy. Following the Province's recommendation in spring 2026 to eliminate the population criteria, the final step is for Grey County Council to approve a bylaw in early 2027 to preserve this important tax classification.

Technology and data will continue to inform our decisions. Enhanced camera capabilities and traffic-counting technology provide valuable insights to support security, capacity management, event planning, and operational efficiency. Combined with our destination marketing initiatives, these investments help us make informed decisions about where resources can have the greatest impact.

Looking ahead, we remain committed to our strategic goals, including strengthening operations, protecting and enhancing Village assets, growing overnight visitation, and managing a sustainable Town Destination Marketing Organization that delivers lasting value for BMVA members and community members alike.

Together, we will continue to build a vibrant, sustainable, and welcoming destination, protecting what makes our Village special while creating exceptional experiences for generations to come.

Sincerely,



Patti Kendall
President

Treasurer's Report

Treasurer's Report

The BMVA Annual Report presents the audited financial results for the fiscal year ending June 30, 2026, along with comparative data from the prior year.

This year, BMVA achieved a surplus of $82,060, a positive variance of $119,000 against a budgeted deficit of $37,000. Revenues grew by $347,000, led by the first full year of Municipal Accommodation Tax (MAT) funding, strong attractions and operations revenue, and higher resale activity. The Board also strengthened BMVA's reserves by transferring $1 million to the Capital Reserve Fund following the Reserve Fund Study dated April 2026. Significant year-over-year variances are summarized below.

Revenues

MAT revenue from non-member properties increased by $322,000 to $375,000, reflecting the first full fiscal year of the Association's agreement with the Town of The Blue Mountains to serve as the Town's Destination Marketing Organization. The year-end reconciliation added $43,000 in MAT revenue that will be spent in FY2027, meaning this year's surplus is overstated by a similar amount as a timing difference. Basic Fees were essentially unchanged at $1.04 million. Rental Royalty Fees increased by $24,000, while Commercial Sales Royalty Fees decreased by $9,000. Village commercial sales totalled $67.5 million (excluding LCBO), a slight decrease year over year.

Operations & Attractions Fees increased by $126,000 combined, driven by strong attractions and winter conditions.

Resale Entry Fees increased by $73,000 with 62 resales compared to 51 in the previous year.

Event revenue and sponsorships decreased by $199,000 and government funding decreased by $83,000. Film Festival revenue fell from $284,000 to $184,000, due to lower sponsorship ($84,000 to $49,000), ticket sales ($74,000 to $60,000) and government funding ($127,000 to $75,000). Event sponsorship was also reduced because the fashion show and Pride events held last year did not take place this year.

Other revenue increased by $90,000, of which $79,000 was received to cover the costs of the 24H Blue Mountain event, which the Blue Mountain Foundation took over this year. An offsetting increase appears in Destination marketing expenditures.

Plunge finished the year with a $25,000 deficit, an $81,000 decline from the prior year's surplus and its first deficit since FY2023. Daily entrance fees fell by $98,000 and lessons by $19,000. Management partially offset the shortfall through cost control, with management fees, contract services and utilities down a combined $69,000.

Expenses

Events and marketing expenditure increased by $100,000 overall but finished $287,000 under budget. Destination marketing increased by $122,000, mainly due to $79,000 in 24H Blue Mountain event costs, which were offset by Other revenue. MAT expenses rose by $106,000 in the first full year of the program. MAT finished $193,000 under budget, as $116,000 of shared staffing, office and supply costs supporting the MAT program were carried in Marketing & Events and Administration. MAT spending is expected to increase significantly in FY2027. Event administration increased by $112,000, largely reflecting this shared staffing. Event marketing decreased by $52,000 and Production by $119,000, partly due to the removal of the Pride and fashion show events from the schedule. Film Festival expenses were $72,000 lower than the previous year, and $112,000 under budget, as staff cut costs to limit the shortfall once it became

Treasurer's Report

clear revenue would fall below expectations. Property management expenses decreased by $8,000. Cleaning and waste removal increased by $52,000 as the department moved from staff garbage collection to a contractor to improve coverage. This shift contributed to a $24,000 reduction in Operations administration. Seasonal decorations and banners decreased by $70,000, largely due to a change in supplier.

Administration expenses increased by $87,000 overall but finished $3,000 under budget. Office administration increased by $69,000, largely because the Communications role was vacant from October to June in the prior year. Professional fees decreased by $4,000.

Assets

BMVA invested $707,000 in Village infrastructure and amenities, supported by $182,000 in new capital grants. Projects included:

- New winter lighting, supported by a $169,000 municipal grant,
- Upgrades to the Plunge Party Room, supported by $13,000 from the Community Sport and Recreation Infrastructure Fund (CSRIF),
- A new website, as part of the Destination Marketing program,
- New seating areas in place of the Village Fountain and at the playground,
- Expansion of the Plunge turnaround and pathway for shuttle drop-offs,
- Repairs to pavers and garden boxes throughout the Village and refurbishment of the Blue sign.

Construction began in September for the Plunge pool deck and heat tracing at an estimated cost of $358,000.

The balance of the $167,000 CSRIF grant will be received once this work is complete.

Capital Replacement & Enhancement Funds

In FY2026, the Board transferred $1,000,000 to the Capital Reserve Fund and $50,000 was transferred to the Capital Enhancement Fund.

Spending from the Capital Reserve Fund totalled $290,000, with $142,000 for repairs and refurbishments and $148,000 toward the replacement of capital assets.

Expenditures from the Capital Enhancement Fund totalled $145,000 toward new capital assets.

Together with the annual transfers and $53,000 in interest earned, these activities resulted in a year-over-year increase of $669,000 in combined Capital Reserve and Enhancement Fund balances, to $2.45 million.

Unrestricted net assets decreased from $2.10 million to $1.35 million as a result of the transfer.

Sincerely,



Craig McIntyre

Treasurer and Director, Finance & Administration

Independent Auditor's Report

To the Board of Directors
of the Blue Mountain Village Association

Opinion

We have audited the financial statements of Blue Mountain Village Association (the "Association"), which comprise the balance sheet as at June 30, 2026, and the statements of operations, changes in net assets 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 Association as at June 30, 2026, 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 Auditor's Responsibilities for the Audit of the 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 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 the 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 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.

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:

Independent Auditor's Report

- 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 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 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 Association 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.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants
Owen Sound, Ontario
October 16, 2026

Balance Sheet

June 30	2026	2025
Assets		
Current		
Cash	$ 305,849	$ 291,839
Investments (Note 2)	1,183,801	2,088,761
Accounts receivable	1,095,293	909,110
Inventory	19,210	19,079
Prepaid expenditures	172,320	113,121
	2,776,473	3,421,910
Restricted assets (Note 3)	2,432,412	1,816,571
Capital assets (Note 4)	2,599,044	2,444,374
	$ 7,807,929	$ 7,682,855
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 692,415	$ 750,265
Deferred revenue	60,094	49,430
	752,509	799,695
Deferred contributions (Note 6)	656,257	566,057
	1,408,766	1,365,752
Net assets		
Net assets restricted for capital replacement (Page 5)	1,937,986	1,192,800
Net assets restricted for capital enhancement (Page 5)	507,198	583,771
Net assets invested in capital assets (Page 5)	2,599,044	2,444,375
Unrestricted net assets (Page 5)	1,354,935	2,096,157
	6,399,163	6,317,103
	$ 7,807,929	$ 7,682,855

Approved by:

Chair
Jack Wasserman

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



Statement of Operations

For the year ended June 30

	Restricted for Capital Replacement	Restricted for Capital Enhancement	Invested in Capital Assets	Unrestricted	2026	2025
Balance, beginning of the year	$ 1,192,800	$ 583,771	$ 2,444,375	$ 2,096,157	$ 6,317,103	$ 6,244,542
Excess of revenue over expenditures (expenditures over revenue) for the year	(106,959)	18,264	(552,353)	723,108	82,060	72,561
Invested in capital assets	(147,855)	(144,837)	707,022	(414,330)	-	-
Restricted assets (Note 7)	1,000,000	50,000	-	(1,050,000)	-	-
Balance, end of the year	$ 1,937,986	$ 507,198	$ 2,599,044	$ 1,354,935	$ 6,399,163	$ 6,317,103

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

For the year ended June 30	2026	2025
Revenue		
Basic fees	$ 1,043,427	$ 1,041,004
Rental royalty fees	1,355,823	1,331,866
Sales royalty fees	695,059	703,857
Attractions	525,335	458,865
Original sale entry fees	-	5,921
Resale entry fees	437,903	365,125
Operations revenue fees	414,274	354,352
Associate members' fees	144,114	133,086
Event revenue and sponsorships	192,168	390,904
Interest income	78,340	82,328
Other	94,878	5,332
Government funding	85,867	169,203
Municipal accommodation tax - non-members	374,935	53,300
	5,442,123	5,095,143
Expenditures (Schedule 1)	4,887,292	4,708,046
Excess of revenue over expenditures	554,831	387,097
Other income (expenditures)		
Amortization of capital assets	(450,460)	(428,852)
Amortization of deferred contributions related to capital assets	91,775	73,577
Capital replacement expenditures	(142,012)	(52,427)
Capital enhancement expenditures	-	(30,050)
Interest income - capital replacement and enhancement	53,317	67,470
	(447,380)	(370,282)
Net income (loss) from operations - Plunge! (Schedule 2)	(25,391)	55,746
Excess of revenue over expenditures for the year	$ 82,060	$ 72,561

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

Statement of Cash Flows

For the year ended June 30	2026	2025
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	$ 82,060	$ 72,561
Items not involving cash		
Amortization of capital assets	450,460	428,852
Amortization of capital assets - Plunge!	101,892	86,235
Amortization of deferred contributions related to capital assets	(91,775)	(73,577)
	542,637	514,071
Changes in non-cash working capital balances		
Accounts receivable	(186,183)	(169,119)
Inventory	(131)	(5,441)
Prepaid expenditures	(59,199)	99,844
Accounts payable and accrued liabilities	(57,850)	207,428
Deferred revenue	10,664	(17,608)
	249,938	629,175
Investing activities		
Increase in restricted investments	(615,841)	(109,227)
(Increase) decrease in investments	904,960	(154,420)
Purchase of capital assets	(707,022)	(411,959)
	(417,903)	(675,606)
Financing activities		
Deferred contributions received related to capital assets	181,975	-
Increase (decrease) in cash during the year	14,010	(46,431)
Cash position, beginning of the year	291,839	338,270
Cash position, end of the year	$ 305,849	$ 291,839

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

Notes to Financial Statements

June 30, 2026

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.

Effective January 29, 2025, the Association entered into an agreement with The Corporation of the Town of The Blue Mountains under which the Association serves as the Town's Destination Marketing Organization, responsible for promoting tourism and tourism product development throughout the Town of The Blue Mountains. The Town collects a Municipal Accommodation Tax (MAT) on short-term rentals and accommodations under section 400.1 of the Municipal Act, 2001 and Ontario Regulation 435/17. As an eligible tourism entity, the Association receives a share of the MAT collected.

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 include the Blue Mountain Village Association general operations and the operations of the Plunge! Aqua Centre.

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.

1. **Summary of Significant Accounting Policies -** (continued)

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.

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:

Computers	- 2 years
Website	- 10 years
Equipment	- 5 years
Outdoor furniture and fixtures	- 5 years
Automotive equipment	- 3.3 years
Washrooms	- 5 years

Unrestricted Fund

The unrestricted fund reports all revenue and expenses relating to the operations of the Association.

Invested in Net Capital Assets

The invested in net capital assets fund represents the net historical cost of capital assets purchased less any recognized amortization.

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 the Association's competitive advantage as a unique village experience. 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.

Notes to Financial Statements (Continued)

June 30, 2026

1. **Summary of Significant Accounting Policies -** (continued)

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 dated April 2026.

Annual funding requirements for the capital reserve fund are estimated in 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.

June 30, 2026

1. **Summary of Significant Accounting Policies -** (continued)

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Contributions related to capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.

Revenue from fees is recognized in accordance with the General Bylaw of Blue Mountain Village Association. Depending on the type of fee, revenue may be recognized at the beginning or end of the month, end of the year, at time of membership or at the time of the transaction when the conditions in the contracts are met and ultimate collection is reasonably assured.

Plunge! Single day and Multi-day pass revenue is recorded when the pass is redeemed or when the expiration date is reached. Plunge! Gift certificate revenue is recorded when the certificate is redeemed or after one year from the issue date if not redeemed in that time. Event revenue is recorded when the event occurs and the obligations of the Association are met.

June 30, 2026

2. **Investments**

	2026	2025
Cash	**$ 224,376**	$ 215,540
Guaranteed investment certificates, non-redeemable, 3.23% to 4.72%, matures March 2027 to March 2030	**959,425**	1,873,221
	$ 1,183,801	$ 2,088,761

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.

	2026	2025
Capital Replacement		
Cash	**$ 228,884**	$ 433,349
Guaranteed investment certificates, non-redeemable, 2.70% to 4.71%, matures September 2026 to June 2030	**1,671,654**	750,000
Accrued interest	**24,676**	49,451
	1,925,214	1,232,800
Capital Enhancement		
Cash	**148,785**	230,847
Guaranteed investment certificates, non-redeemable, 2.85% to 4.52%, matures November 2026 to June 2029	**333,837**	325,000
Accrued interest	**24,576**	27,924
	507,198	583,771
	$ 2,432,412	$ 1,816,571

June 30, 2026

3. Restricted Assets (continued)

Amounts owing by capital replacement funds consist of the following balances not shown on the balance sheet.

	2026	2025
Due to (from) operating funds	$ (12,772)	$ 40,000
	$ (12,772)	$ 40,000

4. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Common lands	$ 4	$ -	$ 4	$ -
Plunge! Aquatic Centre	2	-	2	-
Computers	25,342	24,114	25,342	19,468
Website	50,000	5,000	-	-
Equipment	902,592	539,184	810,925	433,754
Outdoor furniture and fixtures	4,037,350	1,883,713	3,511,507	1,461,825
Automotive equipment	62,580	62,378	62,580	50,941
Washrooms	55,319	19,758	15,807	15,807
Gondola cars	2	-	2	-
	$5,133,191	$ 2,534,147	$ 4,426,169	$ 1,981,795
Net book value		$ 2,599,044		$ 2,444,374

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances of $NIL (2025 - $NIL).

Notes to Financial Statements (Continued)

June 30, 2026

6. Deferred Contributions

Deferred contributions related to capital assets represent unamortized amount of restricted contributions received for the purchase of capital assets. Amortization is recorded as revenue in the statement of operations.

	2026	2025
Balance, beginning of the year	$ 566,057	$ 639,634
Add: Contributions received	181,975	-
Less: Amounts amortized to revenue	(91,775)	(73,577)
Balance, end of the year	$ 656,257	$ 566,057

7. Restrictions on Net Assets

During the year, the Association's Board of Directors restricted $1,050,000 (capital replacement $1,000,000, 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.

8. Related Party Transactions

Blue Mountain Resorts LP, Bydem Blue Mountain Inc. and Hilton Grand Vacations Club Blue Mountain are members of the Association.

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

Included in accounts receivable:

	2026	2025
Blue Mountain Resorts LP	$ 177,516	$ 102,316
Bydem Blue Mountain Inc.	156,138	83,005
	$ 333,654	$ 185,321

Included in accounts payable and accrued liabilities:

	2026	2025
Blue Mountain Resorts LP	$ 213,220	$ 201,302

During the year fees were received from Blue Mountain Resorts LP, Bydem Blue Mountain Inc. and Hilton Grand Vacations Club Blue Mountain as follows:

	2026	2025
Blue Mountain Resorts LP	$ 1,834,070	$ 1,765,975
Bydem Blue Mountain Inc.	808,845	761,136
Hilton Grand Vacations Club Blue Mountain	43,148	55,530
	$ 2,686,063	$ 2,582,641

Included in commitments (Note 9) are commitments to related parties totaling $1,466,998.

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:

	2026	2025
Blue Mountain Resorts LP	$ 1,631,350	$ 1,693,952

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.

Notes to Financial Statements (Continued)

June 30, 2026

9. Commitments

a) The Association has entered into operating agreements for security, various maintenance activities and office space. The agreements will expire in 2027 - 2030. The amount payable over the next four years is as follows:

2027	$ 579,356
2028	$ 480,318
2029	$ 477,963
2030	$ 73,665

b) The Association entered into a shared Facilities Agreement for Plunge! with Grey Standard Condominium Corporation No. 65 (“Residential Corporation”) and Grey Standard Condominium Corporation No. 66 (“Commercial Corporation”) at Westin Trillium House. The shared costs relating to the maintenance, operation, repair and replacement of the Boiler Plant and its appurtenant infrastructure, including heating boilers, burners, gas supply and controls, power supply, combustion air supply, and other related systems, are allocated to the Residential Corporation 63.51%, the Village Association 35.00%, and the Commercial Corporation 1.49%. The shared costs relating to the maintenance, operation, repair, and replacement of the Electric Infrastructure are allocated to the Residential Corporation 79.24%, the Village Association 9.65%, and the Commercial Corporation 11.11%.

c) The Blue Mountain Village Association has committed to a capital project to repair the pool deck at the Plunge Aquatic Centre. The estimated cost of the project is $357,675, and the work is scheduled to commence in September 2026.

10. Contingent Liability

The Association has been named as a defendant under Court File #CV-22-00676390-000 in a claim filed by four related party corporations in February 2022 for damages totalling $973,812 plus costs and interest relating to entry fees allegedly overcharged. Blue Mountain Village Association has counterclaimed against the corporations for approximately $831,000 plus costs and interest, related to entry fees allegedly unpaid. The outcome of these claims is not determinable at the present time.

June 30, 2026

11. 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.

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.

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, 2026, the Association had $3,860,970 in cash and investments in twenty-nine 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 $845,536 and for the bank is $318,909. On June 30, 2026 the Association had investments of $390,968 in an Ontario Credit Union. The Financial Services Regulatory Authority (FSRA) insures deposits to a maximum of $350,000 per depositor. The Association mitigates the credit risk by investing 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 if in excess of CDIC insurance.

For the year ended June 30	2026	2025
Expenditures		
Events and marketing		
Destination marketing	$ 199,951	$ 78,422
Event marketing	204,169	256,245
Production	713,390	832,683
Insurance	56,292	48,534
Event administration	541,884	429,398
Equipment and fixtures	11,129	16,132
Film festival	350,485	422,424
Municipal accommodation tax expenses	135,130	28,834
	2,212,430	2,112,672
Property management		
Attractions	22,618	20,941
Cleaning and waste removal	229,197	177,004
Landscaping	200,747	182,717
Mill pond	22,347	27,884
Operations administration	232,807	256,566
Repairs and maintenance	22,550	14,049
Seasonal decorations and banners	156,004	226,447
Security	426,827	412,120
Shuttle service	290,261	289,531
Signage	1,510	1,142
Snow clearing	109,417	114,888
Utilities	22,562	19,471
Water and sewer lines	5,269	6,866
	1,742,116	1,749,626
Administration		
Bank charges and interest	3,333	3,282
Charitable/community contributions	2,248	3,301
Consulting fees	22,531	21,664
Government relations	4,363	1,381
Insurance	65,725	58,370
Membership services & experiences	65,979	65,241
Member communications	35,535	30,230
Office administration	507,509	438,475
Office expenses	42,166	40,327
Professional fees	105,749	109,277
Rent	58,129	57,163
Repairs and maintenance	9,620	7,087
Telephone	6,925	5,338
Travel	2,934	4,612
	932,746	845,748
	$ 4,887,292	$ 4,708,046



Schedule 2 - Plunge! Statement of Operations

For the year ended June 30	2026	2025
Revenue		
Daily entrance fees	$ 988,449	$ 1,086,821
Season pass fees	61,880	46,138
Discounts	(30,708)	(25,958)
Lessons	25,755	45,005
Retail sales	68,157	80,961
Kids camp	46,644	53,320
Other	14,592	16,884
	1,174,769	1,303,171
Expenditures		
Advertising and marketing	17,203	16,879
Amortization of capital assets	101,892	86,235
Bank charges and interest	7,922	7,771
Cleaning and chemicals	95,557	88,603
Employee uniforms	7,953	7,409
Insurance	37,665	43,325
Leases	16,654	16,675
Management fees	70,486	100,280
Contract services	79,632	98,932
Municipal taxes	9,269	15,076
Office expenses	2,189	1,257
Professional certification	3,504	2,461
Professional fees	6,900	6,650
Purchases	21,652	24,963
Security	142	961
Telephone	3,789	3,791
Travel	89	118
Utilities	187,573	207,290
Wages and benefits	509,313	493,619
Repairs and maintenance	19,956	25,000
Kids camp	820	130
	1,200,160	1,247,425
Net income (loss) from operations	$ (25,391)	$ 55,746

Management Reports - 5 Year Balance Sheet

	June 2026	June 2025	June 2024	June 2023	June 2022
Assets					
Current Assets					
Cash	$ 305,849	$ 291,839	$ 338,270	$ 470,946	$ 317,004
Investments	1,183,801	2,088,761	1,934,341	2,955,120	4,333,898
Accounts Receivable	1,095,293	909,110	739,991	1,135,372	618,054
Inventory	19,210	19,079	13,638	11,095	14,765
Prepaid Expenditures	172,320	113,121	212,965	97,375	70,476
	2,776,473	3,421,910	3,239,205	4,669,908	5,354,197
Restricted assets	2,432,412	1,816,571	1,707,344	1,474,892	2,765,255
Capital assets	2,599,044	2,444,374	2,547,502	2,836,029	674,943
	$ 7,807,929	$ 7,682,855	$ 7,494,051	$ 8,980,829	$ 8,794,395
Liabilities and Net Assets					
Current					
Accounts payable and accrued liabilities	$ 692,415	$ 750,265	$ 542,837	$ 800,296	$ 685,755
Deferred Revenue	716,351	615,487	706,672	910,081	140,151
	1,408,766	1,365,752	1,249,509	1,710,377	825,906
Net assets					
Restricted for capital replacement	1,937,986	1,192,800	1,115,902	871,959	2,119,765
Restricted for capital enhancement	507,198	583,771	548,681	560,983	543,541
Invested in capital assets	2,599,044	2,444,375	2,547,502	2,836,029	674,943
Unrestricted	1,354,935	2,096,157	2,032,457	3,001,481	4,630,240
	6,399,163	6,317,103	6,244,542	7,270,452	7,968,489
	$ 7,807,929	$ 7,682,855	$ 7,494,051	$ 8,980,829	$ 8,794,395

Management Reports - 5 Year Statement of Operations

	June 2026	June 2025	June 2024	June 2023	June 2022
Revenues:					
Basic fees	$ 1,043,427	$ 1,041,004	$ 956,682	$ 468,643	$ 441,558
Village Amenity Fees	1,355,823	1,331,866	1,271,406	1,379,481	1,220,909
Sales royalty fees	695,059	703,857	531,705	415,103	302,435
Original sale entry fees	-	5,921	20,152	480,433	222,215
Resale entry fees	437,903	365,125	335,762	506,029	1,413,541
Operations and Attractions	939,609	813,217	707,402	773,578	464,600
Associate Members' fees	144,114	133,086	38,813	21,227	22,294
Event revenue and sponsorships	192,168	390,904	337,784	293,228	283,824
Interest income	78,340	82,328	88,860	89,547	50,212
Government grants and assistance	85,867	169,203	120,404	370,211	616,609
Other	94,878	5,332	57,720	21,140	25,492
MAT - Non-Members	374,935	53,300			
Plunge Aquatic Centre	1,174,769	1,303,171	1,180,596	990,558	923,677
	6,616,892	6,398,314	5,647,286	5,809,178	5,987,366
Expenditures:					
Destination Marketing	$ 199,951	$ 78,422	$ 79,056	$ 18,097	$ 55,350
Events	2,012,479	2,034,250	2,049,165	2,164,296	1,953,908
Property Management	1,742,116	1,749,626	1,959,307	1,875,329	1,461,594
Administration	932,746	845,748	1,057,300	1,116,825	773,311
Plunge Aquatic Centre	1,200,160	1,247,425	1,154,837	1,030,578	871,682
Expenditures	6,087,452	5,955,471	6,299,665	6,205,125	5,115,845
Other income (expenditures):					
Amortization of capital assets	(450,460)	(428,852)	(425,904)	(298,295)	(173,875)
Amortization of deferred contributions	91,775	73,577	73,577	36,789	-
Capital replacement	(142,012)	(52,427)	(60,347)	(96,440)	(215,191)
Capital enhancement	-	(30,050)	(19,547)	-	-
Interest - capital replacement and enhancement	53,317	67,470	58,690	55,856	25,961
	(447,380)	(370,282)	(373,531)	(302,090)	(363,105)
Excess of revenue over expenses	$ 82,060	$ 72,561	$ (1,025,910)	$ (698,037)	$ 508,416
Note:					
Plunge Aquatic Centre Revenue	1,174,769	1,303,171	1,180,596	990,558	923,677
Plunge Aquatic Centre Expense	1,200,160	1,247,425	1,154,837	1,030,578	871,682
Plunge (loss) gain for year	(25,391)	55,746	25,759	(40,020)	51,995

Notes







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