



Vista Ridge Recreational Association

Dan Wilson - General Manager

November 27, 2019

Organization Mandate

- To provide safe, affordable recreation to all the residents of RMWB.
- To be fiscally responsible without compromising our guest experience.
- Continuous improvement through innovation.
- Offer excellence in programs.
- Continue developing our summer products to become a true “All Seasons Park”.

Community Impact

- Over 47,000 visits to ski/snowboard and an additional 5,500 tubing.
- 4,700 school visits to ski/snowboard, another 800 to tube.
- Free skatepark, playscape/zipline and ice rink available for the public.
- Multiple synergies with Saprae Creek community including a growing summer camp program.

2020 Grant Request

| 2020 Grant Request | |
|---|-------------|
| Revenue | \$1,728,420 |
| Expense | \$1,811,844 |
| Subsidy Requested | \$423,424 |
| Subsidy represents 23% of total expenses | |

| Previous Year's Financial Information | |
|---------------------------------------|----------------|
| Last Fiscal Year End Date | April 30, 2018 |
| Total expenses from previous year | \$1,618,018 |
| Unrestricted Net Assets | \$132,801 |

Expense Summary

| Cost Category | Total Expense | Funded by RMWB |
|--|---------------|----------------|
| Salary/Wages (35 full time, 20 part time) | \$847,800 | \$190,000 |
| Program Costs | \$268,120 | \$0 |
| Overhead (utilities, insurance, etc.) | \$675,300 | \$150,000 |
| 2018 Deficit | \$83,424 | \$83,424 |
| TOTAL | \$1,811,844 | \$423,424 |

Community Investment History

| | 2020 Request | 2019 | 2018 |
|---------------------|-------------------|--------------------------|-----------|
| Sustaining Grant | \$340,000 | \$195,000 | \$195,000 |
| Deficit | \$83,424 (‘18) | \$372,000 (‘16 & ‘17) | \$0 |
| Total Grant Request | \$423,424 | \$567,000 | \$195,000 |

Increase in 2020 Sustaining Grant request of \$145,000 is due to costs associated with operating the Syncrude Bison Chair, marketing expenses and increased costs for upkeep of community ice rink.

Vista Ridge Recreational Association

2020 Sustaining Grant Analysis

CIP Grant Summary:

| | | | | 2020 Recommended by CIP | Variance Recommended vs. Requested |
|---------|---------|---------|---------------------|--|---|
| 2017 | 2018 | 2019 | 2020 Request | | |
| 185,000 | 195,000 | 567,000 | 423,424 | 423,424 | - |

| Fiscal Year End | Total Expenses | Unrestricted Net Assets |
|------------------------|-----------------------|--------------------------------|
| April 30, 2018 | 1,618,018 | 132,801 |

Notes:

The recommendation for 2020 is continued support for the Vista Ridge Recreational Association.

Vista Ridge Recreational Association has an Operating Agreement with the Regional Municipality of Wood Buffalo for the operations of Vista Ridge All Seasons Park, effective to March 2021.

| Budget Line Description | 2020 Total Budget | 2020 Grant Request | 2020 Recommended |
|--|------------------------------|-------------------------------|-----------------------------|
| Revenues | | | |
| RMWB Sustaining Grant | 423,424 | 423,424 | 423,424 |
| Other Revenue | 1,304,996 | - | - |
| Total Revenues | \$ 1,728,420 | \$ 423,424 | \$ 423,424 |
| Expenses | | | |
| Utilities | 295,000 | 150,000 | 150,000 |
| Building Maintenance / Supplies / Repair | 32,000 | - | - |
| Costs of Sales Café | 115,320 | - | - |
| Administration | 35,000 | - | - |
| Professional Fees | 35,000 | - | - |
| Training & Miscellaneous | 40,000 | - | - |
| Operating & Maintenance of Rink | 16,500 | - | - |
| Salaries and Wages | 847,800 | 190,000 | 190,000 |
| Other Overhead Expenses | 281,000 | - | - |
| Other Program Expenses | 6,500 | - | - |
| Bar Costs of Sales / Café & Bar Supplies | 24,300 | - | - |
| 2018 Deficit | 83,424 | 83,424 | 83,424 |
| Total Expenses | \$ 1,811,844 | \$ 423,424 | \$ 423,424 |
| Total Surplus (Deficit) | \$ (83,424) | \$ - | \$ - |



2020 Sustaining Grant Application for Grant Funding

The grant program under which your organization is applying has specific eligibility requirements. The Application Form should clearly show how the proposed event meets these requirements. The Application Form, including all required attachments, must be received by the closing date. **Late or incomplete applications will not be processed (Community Investment Program Policy FIN-220, Section 3.1.5).**

In order to complete this application for funding, please read the following thoroughly:

- 2020 Sustaining Grant Guidelines

If you have reviewed the 2020 Sustaining Grant Guidelines and have any questions regarding this application form or eligibility, please contact CIP@rmwb.ca.

Organization Name: Vista Ridge Recreational Association

Declaration: In making this application, we, the undersigned, confirm:

Board Member(s) and/or
Executive Director Initials:

- that we have read the Sustaining Grant Guidelines;
- that we understand that this application form and all attachments shall be part of the **public** Council agenda and accessible through all methods that the Council agenda is available;
- that we understand that this application form and all required attachments must be completed in full and received before 4:30 p.m. MT on Monday, September 23, 2019;
- that we understand the term of the Sustaining Grant is January 1 to ~~December 31~~, 2020 and that all expenditures must happen during this term; and ***April 30, 2020**
- that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.

QJ DW.

QJ DW.

QJ DW.

QJ DW.

QJ DW.

[Signature]
Signature of Board Member
(must have signing authority)

[Signature]
Signature of Board Member or Executive Director
(must have signing authority)

Kevin Grogan
Print Name

Dan Wilson
Print Name

23rd Sept 2019
Date: (YYYY-MM-DD)

2019-09-23
Date: (YYYY-MM-DD)

Sustaining Grant Part A - Organization Summary

1. Organization Details

| | |
|------------------------------|--------------------------------------|
| Organization Name: | Vista Ridge Recreational Association |
| Street Address: | PO Box 5252 |
| City/Hamlet: | Fort McMurray |
| Province: | Alberta |
| Postal Code: | T9H3G3 |
| Phone Number: | 780-743-8651 |
| Email Address: | vistaridge@shaw.ca |
| Act Registered Under: | Societies Act (Alberta) |
| Registration Number: | 506865849 |

Note: Organization must be in good standing to receive funding.

2. Main Contact

| | |
|-----------------------|--------------------------|
| Title: | General Manager |
| Name: | Dan Wilson |
| Daytime Phone: | s.17 (1) |
| Email Address: | dwilson@vistaridge.ab.ca |

3. Executive Director

| | |
|-----------------------|--------------------------|
| Name: | Dan Wilson |
| Daytime Phone: | s.17 (1) |
| Email Address: | dwilson@vistaridge.ab.ca |

4. Board Chair / President

| | |
|-----------------------|-------------|
| Name: | Marty Giles |
| Daytime Phone: | s.17 (1) |
| Email Address: | s.17 (1) |

Note: Should any of the contact details in Questions 2 to 4 change before December 31, 2020, please advise the Community Investment Program at CIP@rmwb.ca

Part B - Board Questionnaire

5. **How often does the Board of Directors meet?** Quarterly
-
6. **Minimum number of board members according to bylaws:** 8
-
7. **Number of board members:**
- | | | | | | |
|-------------------|----|--------------|----|--------------|----|
| Currently: | 12 | 2018: | 11 | 2017: | 11 |
|-------------------|----|--------------|----|--------------|----|
-

Describe measures being undertaken to fill vacant spots if minimum board members are not met:

N/A

8. Please list your current Board of Directors:

| Name | Board Position | Years on Board |
|----------------|----------------|----------------|
| Marty Giles | Chairman | 10.0 |
| John Wilson | Past Chair | 24.0 |
| Jim Moore | Secretary | 24.0 |
| Greg MacMillan | Director | 24.0 |
| Dave Hill | Director | 24.0 |
| Tom Power | Director | 8.0 |
| Roger Young | Director | 9.0 |
| Dave Wallace | Director | 8.0 |
| Brent Davis | Director | 8.0 |
| Kim Rizzi | Director | 4.0 |
| Dan Fouts | Director | 2.0 |
| Doug Simms | Director | 1.0 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Part B - Board Questionnaire

9. Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes ☐ No ☒

If yes, complete the following table:

| Board member name | Paid role on the board / organization | Amount received |
|-------------------|---------------------------------------|-----------------|
| | | |
| | | |
| | | |

10. What are the restrictions (if any) on becoming a member of your organization or participating in programs or services?

None

11. How often does the Board review the financial position of the agency? What efforts have been made in the past fiscal year to increase the number and types of financial support for your organization?

Monthly reports are circulated to the board members with the year to date actuals compared to the budget. In recent years no extra efforts have been made to increase types of financial support. We are currently putting together a sponsorship package for the golf course to seek financial support from the community businesses and local industry. In the past we have sold advertising on the backs of the chairlift seats to help generate some extra revenue, we will be pursuing this again this season.

The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.

Part C - Strategic Plan

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Sustaining Grant subsidizes organizations to operate and maintain Municipally-owned assets and/or contribute toward the key strategic priorities identified above. Please indicate which category that is applicable to the organization.

- ☒ Operator of a Municipally-owned asset (Please continue to Part E on page 8)
- ☐ Provide programs and services related to the collection, preservation and display of regional heritage and culture in a museum setting (Strategy & Initiatives #1a and #1c)
- ☐ a) the development of the arts community (Strategy & Initiative #1f);
b) progression of interests of the social profit sector (Strategy & Initiative #1i);
c) advancement of cultural diversity (Strategy & Initiative #3f); or
d) promotion of the economic diversification of the Municipality (Strategy & Initiative #3b)
- ☐ Provides strategic programs/services that are of benefit to the entire region

Part D - Organization Questionnaire

12. What year did the organization complete its last business plan or strategic plan?

13. Provide a brief overview of the organization's strategic priorities:

Part D - Organization Questionnaire

14. Describe the elements, activities, or events that the organization is seeking this funding for:

15. Explain how the operations/programming will achieve the objectives of the Municipal Strategic Plan as indicated on page 5:

Part D - Organization Questionnaire

16. Describe any other funding initiatives the organization has taken or is planning to implement to further support this request for Sustaining Grant funding:

17. **Current Volunteer Information:**

| | Per Organizational Needs: | Currently Filled: |
|---|---------------------------|-------------------|
| Program & Services Volunteers | | |
| Fundraising Volunteers | | |
| Committee Volunteers | | |
| Administrative Volunteers | | |
| Total Organization Volunteers (Count each only once) | | |

Part E - Financial Information, Budget Request & Cash Flow

18. Current Staff Information:

| | | Per Organization Chart: | | Currently Filled: | |
|---------------------|----|-------------------------|-----------|-------------------|-----------|
| Full Time Positions | 15 | Summer | 35 Winter | 15 Summer | 35 Winter |
| Part Time Positions | 0 | Summer | 20 Winter | 0 Summer | 0 Winter |

19. Please explain any cost savings initiatives the organization has, or is planning, to implement:

We attempted to save operating costs last season when we made the difficult decision to close the Bison chairlift. We were hoping these savings would help to establish some financial reserves for the future. However, we had a terrible year in terms of weather and our operation still suffered a financial loss. If the Bison chair had been operating, our losses would be been greater.

We continue to try and run as efficiently as possible with many of our staff cross-trained to be able to work in a variety of departments and reduce labour costs.

20. 2020 Grant Request:

| | | |
|---|----|--------------|
| Total 2020 Budgeted Revenue (<u>excluding</u> RMWB Sustaining Grant) | \$ | 1,398,420.00 |
| Total 2020 Budgeted Expenses | \$ | 1,738,420.00 |
| Surplus* / (Deficit) | \$ | (340,000.00) |

2020 Sustaining Grant Request Amount: \$ 423,424.00

* If in a surplus position, organization is not eligible for a Sustaining Grant.

Please Indicate Preferred Cash Flow, if approved:**

January/February \$ 317,568.00 April \$ 105,856.00

(no more than 75% of request)

August October

** Must have minimum of 25% to be disbursed between August and December. There will be no funds released in July, as six-month reports are due by July 31 and require Administrative review prior to August/October disbursements.



21. Provide any additional information that may assist in developing a better understanding of your organization or its services/programs during the grant review.

Our current operation revolves heavily around the winter operation running from November to April. The bulk of our revenue and expenses occur during this time. At this time our Summer revenue is only a small portion of our yearly total, due to scale and types of the activities (some of them non-revenue generating). With the construction of the golf course and a more well-rounded summer activity offering, it is our goal to be a 100% cost recovery operation in the future.

Part F - Required Attachments for Application

22. The following attachment MUST accompany your application. Failure to submit the following will result in your application being deemed incomplete.

- ☒ A detailed budget showing projected 2020 revenue and expenses
- ☐ 2020 Business Plan or Strategic Plan
- ☐ Logic Model (if available)
- ☐ Financial Statements of the most recent fiscal year

In Person or By Mail:

Community Investment Program
Community Services
Regional Municipality of Wood Buffalo
9909 Franklin Avenue
Fort McMurray, AB T9K 2K4

OR

By Email: CIP@rmwb.ca

**LATE or INCOMPLETE applications will not be processed
(Community Investment Program Policy FIN-220, Section 3.1.5)**



Vista Ridge Recreational Association

Budget and Operating Plan 2019-20

Summary of Budget and Plan

Bringing Back the Bison! After a few bad winters in a row, we hope to stop the downward spiral with bringing back the Syncrude Bison Chair. There was certainly a bit of push back and disappointment from some of our guests when the difficult decision to close the Bison Chair was made. In bringing back the Bison we hope to inject some new life into the operation and gain some positive momentum.

With the return of the Bison Chair we are anticipating a small increase in our season pass sales. We may see a small increase in day tickets as well, as this was the case when the Bison was first introduced in 2011. Also, the fact that we cannot guarantee mild weather over the Christmas holidays has made us budget on the side of caution with day tickets.

This budget assumes an increase in Season Pass, Day Ticket and Rental Package prices.

The increase in prices is in line with other ski areas of similar size in Northern Alberta & Saskatchewan and is simply getting back to where our pricing was pre-fire before the recovery rates were introduced.

Highlights of the following budget Income

- Visits are forecast to reach 51,450.
(2250 season passes x 17 visits, 4700 school visits and 8,500 day tickets)
- Tubing visits will remain the same as last season (6750). We fell short of this number last season, but with decent weather, it is certainly achievable.
- Total revenue is forecast at **\$1,738,420.**
- We would again offer an Early Bird season pass rate of \$189 single (\$179 last year) and \$589 family (\$549 last year). \$179 Fall Tradeshow price Sept. 20-22.
- Day tickets increase for full day lift tickets, night skiing and various rental packages.
- RMWB rink grant increased \$10,000 to maintain level of quality with increased use
- RMWB Utility & Maintenance grant increased \$145,000 (\$115,000 Bison operating costs, \$20,000 increased marketing expenses, \$10,000 ice rink operating costs).
- Other revenue is derived from in-house contributions to capital projects.

Highlights of the following budget expenses

- Wages will increase due to operating Bison Chair. Snowmaking hours, lift operators, trail crew and grooming time have been considered.
- Utilities and Snowmaking expenses will also increase due to operating Bison Chair.
- We have doubled our marketing budget (\$20K to \$40) to build a campaign around bringing the bison back, as well as creating awareness of Vista Ridge as a whole.
- Total expenses are forecast at **\$1,728,420**. This leaves an operating surplus of \$10,000 which will be allocated to capital costs from operating in the event of an unexpected breakdown or equipment failure.

Operating Plan highlights

- We plan to open on November 22nd 2019 with runs on the Wilson Chair and the beginner area operating. We will do our best to open prior to this time with some help from Mother Nature...she owes us one.
- The Bison Chair and Tube Park are both scheduled to open for the Christmas Holidays.
- The Bison will be scheduled to operate Saturdays, Sundays and Holidays as well as Fridays when schools are off (approx. 50 days).
- The planned closing date is Sunday April. 5th 2020.

Requesting approval for the following:

- The 2019-20 budget as shown on the following pages.
- The sale of early bird season passes as last year with a price increase from \$179 to \$189 single and \$549 to \$589 family. The single rate already at \$189 in 2015/16 pre-fire before the recovery rate was introduced (family pass was \$575 at that time).
- Ticket price increase of \$2 for Full Day lift tickets and night skiing lift ticket.
- Lift and rental package price increase of \$1 across the board.
- Family Max package increase from \$109 to \$115.
- Season Pass regular rate increase of \$15 (\$325 up from \$310) and Family Max rate increase of \$30 (\$729 up from \$699)

The following pages show the proposed budget breakdown.

| | Budget 2019-20 | Actual 2018-19 | Actual 2017-18 |
|--------------------------|----------------|----------------|----------------|
| Adventure Park visits | 2000 | 1728 | 2653 |
| School/Group visits | 400 | 295 | 125 |
| Mini Putt | 1500 | 1501 | 1244 |
| Total Park Visits | 3900 | 3524 | 4022 |

| SKIER VISITS | Budget 2019-20 | Actual 2018-19 | Actual 2017-18 |
|---------------------------|----------------|----------------|----------------|
| Lift Tickets Sold | 8500 | 6763 | 8044 |
| School visits | 4700 | 4722 | 4469 |
| Season Pass Visits | 38250 | 35564 | 43401 |
| Total Skier Visits | 51450 | 47049 | 55914 |

| | | | |
|----------------------|-------------|-------------|-------------|
| Tubing Visits | 6750 | 5524 | 6005 |
|----------------------|-------------|-------------|-------------|

| INCOME | Budget 2019-20 | Actual 2018-19 | Actual 2017-18 |
|----------------------------|--------------------|--------------------|--------------------|
| Season Pass Revenue | \$315,000 | \$285,723 | \$305,221 |
| Lift Ticket Sales | \$187,500 | \$137,115 | \$152,134 |
| Staff and House Rent | \$54,000 | \$47,145 | \$48,950 |
| Lodge Rentals | \$7,000 | \$17,320 | \$7,727 |
| Equipment Rental | \$85,000 | \$74,766 | \$70,561 |
| Repair Shop | \$2,500 | \$1,173 | \$1,809 |
| Retail Shop | \$4,000 | \$7,327 | \$1,441 |
| Cafeteria Sales | \$216,220 | \$190,809 | \$199,119 |
| Bar Sales | \$50,000 | \$36,680 | \$51,305 |
| School Program | \$98,700 | \$100,137 | \$85,822 |
| Lessons and Camps | \$67,500 | \$62,051 | \$56,199 |
| Other Income Snow School | \$2,000 | \$1,148 | \$609 |
| Tubing Income | \$81,000 | \$78,610 | \$69,864 |
| School Tubing Revenue | \$9,000 | \$4,758 | \$7,457 |
| Summer Activities | \$65,000 | \$54,756 | \$76,802 |
| Marketing Income | \$4,000 | \$0 | \$0 |
| Other Revenue Net | \$150,000 | \$247,470 | \$268,948 |
| RMWB Utility & Mtce. Grant | \$255,000 | \$120,000 | \$120,000 |
| RMWB Rink and Rogers rent | \$85,000 | \$75,000 | \$65,000 |
| TOTAL REVENUE | \$1,738,420 | \$1,541,989 | \$1,588,968 |

| EXPENSES | Budget 2019-20 | Actual 2018-19 | Actual 2017-18 |
|--------------------------------|--------------------|--------------------|--------------------|
| Wages Total | \$785,000 | \$736,305 | \$761,365 |
| Lift Supplies | \$8,500 | \$8,450 | \$12,694 |
| Grooming Supplies | \$7,500 | \$11,520 | \$5,092 |
| Summer Supplies | \$8,000 | \$9,349 | \$8,104 |
| Ticket Office | \$15,000 | \$15,756 | \$18,002 |
| Fuel and Oil | \$42,000 | \$37,293 | \$49,496 |
| Utilities | \$295,000 | \$284,570 | \$312,559 |
| Vehicle Mtce. and Lease | \$9,500 | \$5,758 | \$13,622 |
| Snowmaking Supplies | \$25,000 | \$15,048 | \$6,804 |
| Building Mtce. | \$20,000 | \$18,301 | \$0 |
| Waste Disposal | \$65,000 | \$62,439 | \$46,235 |
| Rink and Parks | \$16,500 | \$13,198 | \$19,252 |
| Building Supplies & Repair | \$12,000 | \$17,492 | \$24,574 |
| Rental Supplies | \$2,000 | \$3,189 | \$0 |
| Café Supplies | \$2,000 | \$1,358 | \$837 |
| Bar Supplies | \$1,500 | \$917 | \$0 |
| Ski School Supplies | \$2,500 | \$259 | \$150 |
| Tube Park Supplies | \$2,000 | \$1,300 | \$1,500 |
| Cost of Sales Café | \$115,320 | \$113,986 | \$119,782 |
| Bar Cost of Sales | \$18,800 | \$14,687 | \$18,574 |
| Retail Shop Cost of Sales | \$2,000 | \$6,533 | \$0 |
| Marketing | \$40,000 | \$20,014 | \$27,532 |
| Insurance | \$35,000 | \$38,849 | \$21,135 |
| Telephone | \$9,000 | \$8,351 | \$11,666 |
| Bank Charges | \$1,500 | \$427 | \$297 |
| Employers Expenses | \$62,800 | \$50,015 | \$50,194 |
| Licences and Fees | \$15,000 | \$20,955 | \$16,492 |
| Training and Misc. | \$40,000 | \$12,049 | \$47,016 |
| Administration | \$35,000 | \$55,335 | \$82,242 |
| Professional Fees | \$35,000 | \$32,708 | \$51,509 |
| TOTAL EXPENSES | \$1,728,420 | \$1,616,411 | \$1,726,725 |
| SURPLUS FROM OPERATIONS | \$10,000 | -\$74,422 | -\$137,757 |
| CAPITAL FROM OPERATING | \$10,000 | \$9,002 | \$20,306 |
| CASH SURPLUS | \$0 | -\$83,424 | -\$158,063 |

Vista Ridge Recreational Association
Financial Statements

April 30, 2018
(Unaudited)

Independent Practitioner's Review Engagement Report

To the Members of Vista Ridge Recreational Association:

We have reviewed the accompanying financial statements of Vista Ridge Recreational Association that comprise the statement of financial position as at April 30, 2018, 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.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

The Association's capital assets are amortized using the methods and rates disclosed in Note 2 to the financial statements. As those amortization policies do not amortize several categories of assets operated under a land operating agreement with the Regional Municipality of Wood Buffalo over the lesser of their useful life or lease term, the recorded balance of capital assets are overstated. In addition, ski hill land development assets have not been amortized prior to May 1, 2017. These departures from Canadian accounting standards for not-for-profit organizations ("ASNPO") result in overstated balances of capital assets and unamortized deferred capital contributions, and understated amortization of deferred contributions revenue and amortization of capital assets expense. As a result of the significant timeframe over which the historical accumulation of these balances has occurred, the quantification of these departures from ASNPO is not determinable.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Vista Ridge Recreational Association as at April 30, 2018, 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.

Fort McMurray, Alberta

December 21, 2018

MNP LLP

Chartered Professional Accountants

Vista Ridge Recreational Association

Statement of Financial Position

*As at April 30, 2018
(Unaudited)*

| | 2018 | 2017 |
|--|------------------|------------|
| Assets | | |
| Current | | |
| Cash (Note 3) | 3,141,047 | 3,719,870 |
| Accounts receivable (Note 4) | 474,500 | 1,374,639 |
| Investments | - | 2,512,740 |
| Prepaid expenses | - | 17,220 |
| Inventory | 21,249 | 29,921 |
| Goods and services tax receivable | 152,043 | 95,895 |
| | 3,788,839 | 7,750,285 |
| Capital assets (Note 5) | 2,691,696 | 2,940,149 |
| | 6,480,535 | 10,690,434 |
| Liabilities | | |
| Current | | |
| Accounts payable and accruals | 159,338 | 180,419 |
| Deferred contributions (Note 6) | 3,472,943 | 7,634,717 |
| Source remittances payable | 23,757 | 2,901 |
| | 3,656,038 | 7,818,037 |
| Unamortized deferred capital contributions (Note 7) | 1,004,488 | 1,039,594 |
| | 4,660,526 | 8,857,631 |
| Commitments (Note 8) | | |
| Net Assets | | |
| Investment in capital assets (Note 9) | 1,687,208 | 1,900,555 |
| Unrestricted net assets | 132,801 | (67,752) |
| | 1,820,009 | 1,832,803 |
| | 6,480,535 | 10,690,434 |

Approved on behalf of the Board

Vista Ridge Recreational Association

Statement of Operations

For the year ended April 30, 2018

(Unaudited)

| | 2018 | 2017 |
|---|------------------|------------------|
| Revenue | | |
| Season passes and lift tickets | 535,268 | 559,855 |
| Revenue for work labour recoveries | 188,847 | 34,230 |
| Grant revenue | 195,000 | 185,000 |
| Ski school | 130,663 | 130,180 |
| Cafeteria, lounge and pro shop, net (Note 11) | 106,727 | 114,941 |
| Summer park income | 76,803 | 13,908 |
| Rental income | 70,561 | 73,395 |
| Building and rental storage (Note 10) | 56,677 | 43,817 |
| Donation income | 50,000 | 60,000 |
| Interest and other | 43,592 | 26,804 |
| | 1,454,138 | 1,242,130 |
| Expenses | | |
| Wages, benefits and workers compensation | 731,821 | 624,235 |
| Utilities | 312,560 | 253,080 |
| Management wages | 151,167 | 143,588 |
| Supplies and maintenance | 77,753 | 84,259 |
| Building repairs and maintenance | 70,810 | 85,711 |
| Automotive | 63,717 | 46,158 |
| Legal and accounting | 48,697 | 40,390 |
| Interest and bank charges | 29,238 | 26,113 |
| Advertising and promotion | 27,532 | 18,446 |
| Insurance | 26,260 | 51,575 |
| Staff functions | 19,342 | 19,858 |
| Licences and fees | 17,455 | 7,196 |
| Meals and entertainment | 16,009 | 5,829 |
| Telephone | 11,666 | 10,475 |
| Training | 8,168 | 12,898 |
| Office and miscellaneous | 5,823 | 20,243 |
| | 1,618,018 | 1,450,054 |
| Deficiency of revenue over expenses before other items | (163,880) | (207,924) |
| Other items | | |
| Amortization of capital assets | 256,020 | 173,801 |
| Amortization of deferred contributions (Note 7) | (35,106) | (137,815) |
| | 220,914 | 35,986 |
| RMWB Operating Grant (Note 4) | (372,000) | - |
| | (151,086) | 35,986 |
| Deficiency of revenue over expenses from operations | (12,794) | (243,910) |

Continued on next page

Vista Ridge Recreational Association

Statement of Operations

For the year ended April 30, 2018

(Unaudited)

| | 2018 | 2017 |
|---|-----------------|------------------|
| Deficiency of revenue over expenses before other items <i>(Continued from previous page)</i> | (12,794) | (243,910) |
| Other items related to the wildfire | | |
| Insurance proceeds from wildfire | - | 1,231,065 |
| Impairment of capital assets | - | (240,552) |
| Fire related expenses | - | (151,754) |
| Donated services related to wildfire | - | 118,052 |
| Wage and material recovery from insurance proceeds | - | 159,691 |
| | - | 1,116,502 |
| (Deficiency) excess of revenue over expenses | (12,794) | 872,592 |

The accompanying notes are an integral part of these financial statements

Vista Ridge Recreational Association

Statement of Changes in Net Assets

For the year ended April 30, 2018

(Unaudited)

| | <i>Investment in capital assets</i> | <i>Unrestricted net assets</i> | 2018 | 2017 |
|---|---|------------------------------------|------------------|-----------|
| Net assets, beginning of year | 1,900,555 | (67,752) | 1,832,803 | 960,211 |
| (Deficiency) excess of revenue over expenses | - | (12,794) | (12,794) | 872,592 |
| Amortization of internally funded capital assets | (220,914) | 220,914 | - | - |
| Capital assets purchased with internal funds | 7,567 | (7,567) | - | - |
| Net assets, end of year | 1,687,208 | 132,801 | 1,820,009 | 1,832,803 |

The accompanying notes are an integral part of these financial statements

Vista Ridge Recreational Association

Statement of Cash Flows

*For the year ended April 30, 2018
(Unaudited)*

| | 2018 | 2017 |
|---|--------------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating | | |
| (Deficiency) excess of revenue over expenses | (12,794) | 872,592 |
| Amortization | 256,020 | 173,801 |
| Amortization of deferred capital contributions | (35,106) | (137,815) |
| Impairment of capital assets | - | 240,552 |
| | 208,120 | 1,149,130 |
| Changes in working capital accounts | | |
| Accounts receivable | 900,139 | (1,282,139) |
| Inventory | 8,672 | (8,553) |
| Goods and services tax receivable | (56,148) | (56,646) |
| Prepaid expenses | 17,220 | (17,220) |
| Accounts payable and accruals | (225) | (27,860) |
| Deferred contributions | (4,161,774) | (548,203) |
| | (3,083,996) | (791,491) |
| Investing | | |
| Proceeds on disposal of investments | 2,512,740 | - |
| Purchase of capital assets | (7,567) | (1,203,084) |
| | 2,505,173 | (1,203,084) |
| Decrease in cash resources | (578,823) | (1,994,575) |
| Cash resources, beginning of year | 3,719,870 | 5,714,445 |
| Cash resources, end of year | 3,141,047 | 3,719,870 |

The accompanying notes are an integral part of these financial statements

Vista Ridge Recreational Association

Notes to the Financial Statements

For the year ended April 30, 2018
(Unaudited)

1. Incorporation and nature of the Association

Vista Ridge Recreational Association (the "Association") was incorporated in the Province of Alberta under the Societies Act on March 11, 1996 as a Not-For-Profit Society. The Association operates a recreational ski facility in the Fort McMurray, Alberta region. The Association is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit set out in Part III of the CPA Handbook - Accounting Standards for Not-For-Profit Organizations, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Revenue recognition

The Association utilizes the deferral method of revenue recognition. Operating grants are recognized as revenue in the period in which they are received or are receivable. Operating grants received for a future period are deferred until that future period and are reflected as deferred contributions.

Amounts received for unrestricted donations are recognized when received. Amounts received for season passes, lift tickets, daily operations, and sales of goods and services are recognized as revenue at the time the goods are delivered or services are provided.

Rental revenue is recognized as income during the applicable period of occupancy of the building or space.

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributors. Any externally restricted contributions containing stipulations that the amounts should be retained as net assets or that the contributions should not be expended are recorded as direct increases in net assets. Such stipulations would include contributions to be used to acquire non-amortizable property.

Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested to acquire capital assets. Amounts invested representing externally funded capital assets that are not received from the Regional Municipality of Wood Buffalo are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital assets are recorded.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased. Contributions totalling \$nil (2017 - \$86,500) were recognized in the year.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash as described in Note 3.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business.

Vista Ridge Recreational Association

Notes to the Financial Statements

For the year ended April 30, 2018
(Unaudited)

2. Significant accounting policies (Continued from previous page)

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives. In the year of acquisition, assets are amortized at one-half their usual rates.

During the year, the Association changed the rate of amortization on the ski hill land development to 25 years straight-line. Previously, the Association was not amortizing the ski hill land development costs. This change in accounting estimate has been applied prospectively, and is a result of the May 2016 wildfire and the subsequent slope instability.

| | Method | Rate |
|---------------------------|-------------------|----------|
| Buildings | declining balance | 4 % |
| Lift equipment | straight line | 15 years |
| Computer equipment | declining balance | 45-100 % |
| Furniture and equipment | straight-line | 4 years |
| Mobile equipment | straight line | 15 years |
| Ski hill land development | straight-line | 25 years |
| Rental skis | straight line | 4 years |
| Snowmaking equipment | straight-line | 15 years |
| Tube and other parks | declining balance | 20 % |

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization of capital assets and unamortized deferred capital contributions is based on the estimated useful lives of capital assets. Gifts in kind are recorded at the estimated fair market value of the goods or services donated.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value except for certain related party transactions that are initially measured at their carrying or exchange amount in accordance with CPA 3840 Related Party Transactions (Note 10).

The Association subsequently measures all of its financial assets and liabilities at cost or amortized cost, except for equity instruments that are quoted in an active market which are measured at fair value. Fair value is determined by published price quotations.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost when there are indicators of impairment. Any impairment which is not considered temporary is recognized in excess (deficiency) of revenue over expenses.

Vista Ridge Recreational Association

Notes to the Financial Statements

*For the year ended April 30, 2018
(Unaudited)*

3. Cash

| | 2018 | 2017 |
|-------------------|-----------|-----------|
| Restricted - RMWB | 3,141,047 | 3,719,870 |

4. Accounts receivable

| | 2018 | 2017 |
|--|---------|-----------|
| RMWB operating grant receivable | 102,500 | 92,500 |
| RMWB additional operating grant receivable | 372,000 | - |
| Insurance proceeds receivable | - | 1,282,139 |
| | 474,500 | 1,374,639 |

The Association has been approved to receive grant funding in the amount of \$372,000 to cover the operating losses for the 2017 and 2018 fiscal years. On November 28, 2018, the Council of RMWB passed the motion to increase the Community Investment Program Sustaining Funds for this amount pertaining to 2017 and 2018 fiscal year-end operating losses, in addition to approving an additional operating grant for 2019 in the amount of \$195,000.

5. Capital assets

| | Cost | Accumulated amortization | 2018 Net book value | 2017 Net book value |
|---------------------------|-----------|-----------------------------|---------------------------|---------------------------|
| Buildings | 1,398,616 | 602,205 | 796,411 | 827,916 |
| Lift equipment | 225,179 | 135,996 | 89,183 | 102,311 |
| Computer equipment | 11,676 | 11,676 | - | - |
| Furniture and equipment | 211,863 | 187,594 | 24,269 | 27,346 |
| Mobile equipment | 418,332 | 402,303 | 16,029 | 32,552 |
| Rental skis | 108,121 | 102,943 | 5,178 | 6,904 |
| Ski hill land development | 738,097 | 29,524 | 708,573 | 738,096 |
| Snowmaking equipment | 887,875 | 226,771 | 661,104 | 716,338 |
| Tube and other parks | 553,460 | 162,511 | 390,949 | 488,686 |
| | 4,553,219 | 1,861,523 | 2,691,696 | 2,940,149 |

Included in capital assets are land improvements, buildings, snowmaking equipment, groomers and other equipment transferred from the Regional Municipality of Wood Buffalo in 1996 for the sum of \$1. These assets were valued at \$400,000 on the date of transfer.

Buildings includes an asset with a carrying value of \$40,285 (2017 - \$40,285). No amortization of this asset has been recorded during the current year because it is currently under construction.

Vista Ridge Recreational Association

Notes to the Financial Statements

For the year ended April 30, 2018
(Unaudited)

6. Deferred contributions

As part of the agreement between the Association and the Regional Municipality of Wood Buffalo (RMWB) in 2009, the RMWB owns any assets that are purchased by the Association and paid for with funds received from the RMWB. Changes in the deferred contributions related to the funds received from the RMWB are as follows:

| | 2018 | 2017 |
|---|-------------|-----------|
| Balance, beginning of year | 7,634,717 | 8,182,920 |
| Funding and interest received during the year | 31,337 | 17,530 |
| Accrued interest receivable | - | 12,739 |
| Funding spent during the year | (4,182,846) | (535,225) |
| Accrued payables | (10,265) | (43,247) |
| Balance, end of year | 3,472,943 | 7,634,717 |

7. Unamortized deferred capital contributions

Unamortized deferred capital contributions represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Association's equipment and upgrades to the building and staff cabins. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

| | 2018 | 2017 |
|-------------------------------------|-----------|-----------|
| Balance, beginning of year | 1,039,594 | 1,177,409 |
| Amortization recognized in earnings | (35,106) | (137,815) |
| Balance, end of year | 1,004,488 | 1,039,594 |

8. Commitments

The Association has a land operating agreement with the Regional Municipality of Wood Buffalo for a term of five years which commenced on the 1st day of April, 2016 and ends on the last day of March, 2021, subject to earlier termination, with an option to renew for a further term of five years until March 31, 2026. Total base rent of \$5 (\$1 per annum) was paid upon execution of agreement.

9. Net assets invested in capital assets

| | 2018 | 2017 |
|--|-------------|-------------|
| Capital assets | 2,691,696 | 2,940,149 |
| Unamortized deferred capital contributions | (1,004,488) | (1,039,594) |
| | 1,687,208 | 1,900,555 |

10. Related party transactions

Included in building and rental storage income for the current year is \$56,677 (2017 - \$43,817) of rental income from employees. The revenue was conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Vista Ridge Recreational Association

Notes to the Financial Statements

*For the year ended April 30, 2018
(Unaudited)*

11. Cafeteria, lounge and pro shop

| | 2018 | 2017 |
|---------------------------------------|----------------|----------------|
| Cafeteria | | |
| Sales | 199,391 | 179,183 |
| Cost of sales | (126,783) | (87,439) |
| Gross margin (2018 - 37%, 2017 - 51%) | 72,608 | 91,744 |
| Lounge | | |
| Sales | 60,762 | 48,978 |
| Cost of sales | (26,873) | (23,105) |
| Gross margin (2018 - 56%, 2017 - 53%) | 33,889 | 25,873 |
| Pro Shop | | |
| Sales | 1,441 | 2,110 |
| Cost of sales | (374) | (4,786) |
| Gross margin | 1,067 | (2,676) |
| | 107,564 | 114,941 |

12. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

As at April 30, 2018, one funder (2017 - one) accounted for 100% (2017 - 100%) of the grants receivable. The Association believes that there is no unusual exposure associated with the collection of these receivables. The Association performs regular assessments of its funders and provides allowances for potentially uncollectible accounts receivable.

13. Subsequent event

On August 30, 2018, a memorandum of agreement dated July 30, 2018 was signed by the Association and the Regional Municipality of Wood Buffalo for the contribution of grant funds up to a maximum amount of \$1,150,000 to be used for new capital investments. The budget is \$250,000 for a snowmaking upgrade; \$275,000 for slope stability; \$125,000 for a golf course pump and \$500,000 for golf course vegetation.

On November 29, 2018, the RMWB approved a capital grant for the Association in the amount of \$1,873,500. The budget is \$1,281,500 to complete the golf course furnishings and equipment; \$160,000 a for snowmaking upgrade; \$52,000 for main lodge upgrades; \$100,000 for slope stability; \$100,000 for additional summer activities and \$180,000 for paving and landscaping.