

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
APRIL 30, 2022

STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the management of Marble Mountain Development Corporation and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Association of Chartered Professional Accountants of Canada.

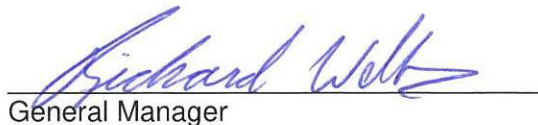
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Executive Chair of the Board of Directors and the General Manager of the Resort, met with external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Bonnell Cole Janes, as the organization's appointed external auditors, have audited the financial statements. The Auditor's Report is addressed to the Board of Directors and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the organization in accordance with Canadian generally accepted accounting principles.


Executive Chairperson

Aug. 9 2022
Date


General Manager

Aug. 9th. 2022
Date

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Marble Mountain Development Corporation

Opinion

We have audited the financial statements of Marble Mountain Development Corporation (the Corporation), which comprise the statement of financial position as at April 30, 2022 and the statement of operations, changes in net financial assets (debt) and cash flows for the year ended April 30, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Corporation are prepared, in all material respects, in accordance with the standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 of the financial statements in accordance with the standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, 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 Corporation'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 the Corporation either intends to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.

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.

Corner Brook
Newfoundland and Labrador
July 25, 2022

Bonnell Cole Jones
CHARTERED PROFESSIONAL ACCOUNTANTS

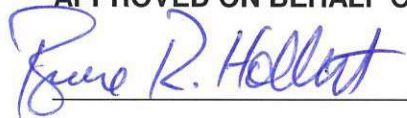
MARBLE MOUNTAIN DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

| | <u>Page</u> |
|--|-------------|
| Statement of Financial Position | 1 |
| Statement of Operations | 2 |
| Statement of Change in Net Financial Assets (Net Debt) | 3 |
| Statement of Cash Flows | 4 |
| Notes to the Financial Statements | 5 |
| Schedule 1 - Schedule of Tangible Capital Assets | 12 |
| Schedule 2 - Schedule of Lift Operations | 13 |
| Schedule 3 - Schedule of Rental and Repair Shop Operations | 14 |
| Schedule 4 - Schedule of Food and Beverage Operations | 15 |
| Schedule 5 - Schedule of Ski School Operations | 16 |
| Schedule 6 - Schedule of Marketing Operations | 17 |
| Schedule 7 - Schedule of Marble Villa Operations | 18 |

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash (Note: 2) | \$ 7,968 | \$ 500 |
| Accounts receivable (Note: 3) | <u>51,361</u> | <u>64,853</u> |
| | <u>59,329</u> | <u>65,353</u> |
| LIABILITIES | | |
| Bank indebtedness (Note: 8) | 1,241,167 | 1,538,899 |
| Accounts payable and accrued liabilities (Note: 5) | 544,986 | 16,323 |
| Deferred revenue (Note: 7) | 7,598 | 12,423 |
| Obligations under capital lease (Note: 6) | <u> </u> | <u>11,631</u> |
| | <u>1,793,751</u> | <u>1,579,276</u> |
| NET FINANCIAL ASSETS (NET DEBT) | <u>(1,734,422)</u> | <u>(1,513,923)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 1) | 9,311,848 | 9,685,616 |
| Inventories held for use (Note: 2) | 92,734 | 31,662 |
| Prepaid expenses (Note: 4) | <u>125,296</u> | <u>162,850</u> |
| | <u>9,529,878</u> | <u>9,880,128</u> |
| ACCUMULATED SURPLUS | <u>\$ 7,795,456</u> | <u>\$ 8,366,205</u> |

APPROVED ON BEHALF OF BOARD:



MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2022

| | <u>Budget</u> | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|---------------------|
| REVENUE | | | |
| Lift operations (Schedule 2) | \$ (509,000) | \$ (617,708) | \$ (795,667) |
| Rental and repair shop (Schedule 3) | 92,000 | 104,643 | 28,986 |
| Food and beverage (Schedule 4) | 9,000 | 20,197 | (44,399) |
| Ski school (Schedule 5) | 10,000 | 20,005 | (16,012) |
| Marketing (Schedule 6) | (20,000) | (81,485) | (13,588) |
| Marble Villa (Schedule 7) | <u>(25,000)</u> | <u>(12,924)</u> | <u>(53,377)</u> |
| | <u>(443,000)</u> | <u>(567,272)</u> | <u>(894,057)</u> |
| EXPENDITURES | | | |
| Labour | 160,000 | 182,947 | 117,188 |
| Interest on short-term debt | 40,000 | 28,880 | 39,782 |
| Administration | 40,000 | 27,333 | 36,257 |
| Professional Fees | 21,325 | 19,586 | 24,493 |
| Miscellaneous | 5,000 | 7,689 | 4,134 |
| Communications | 8,500 | 4,533 | 11,948 |
| Interest and bank charges | 5,000 | 2,487 | 2,525 |
| Interest on capital lease obligations | | | 47,625 |
| Travel and conference fees | | | <u>109</u> |
| | <u>279,825</u> | <u>273,455</u> | <u>284,061</u> |
| EXCESS OF EXPENDITURES OVER REVENUE BEFORE CAPITAL GRANT, AMORTIZATION & OTHER | <u>(722,825)</u> | <u>(840,727)</u> | <u>(1,178,118)</u> |
| OTHER OPERATING: | | | |
| Gov. transfers-operating grant (Note:9) | 306,400 | 306,400 | 1,200,000 |
| Gov. transfers-marketing partnership (Note:9) | | <u>140,000</u> | |
| | <u>306,400</u> | <u>446,400</u> | <u>1,200,000</u> |
| EXCESS OF EXPENDITURES OVER REVENUE BEFORE CAPITAL GRANT, AMORTIZATION & OTHER | <u>(416,425)</u> | <u>(394,327)</u> | <u>21,882</u> |
| CAPITAL GRANT, AMORTIZATION & OTHER: | | | |
| Gov. transfers - capital grant (Note:9) | 800,000 | 800,000 | 400,000 |
| Amortization of tangible capital assets | (1,195,661) | (980,013) | (939,923) |
| Gain on disposal of tangible capital assets | | <u>3,591</u> | <u>1,230</u> |
| | <u>(395,661)</u> | <u>(176,422)</u> | <u>(538,693)</u> |
| ANNUAL SURPLUS (DEFICIT) | <u>\$ (812,086)</u> | (570,749) | (516,811) |
| ACCUMULATED SURPLUS, beginning of the year | | <u>8,366,205</u> | <u>8,883,016</u> |
| ACCUMULATED SURPLUS, end of the year | | <u>\$ 7,795,456</u> | <u>\$ 8,366,205</u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
FOR THE YEAR ENDED APRIL 30, 2022

| | <u>Budget</u> | <u>2022</u> | <u>2021</u> |
|--|---------------------|-----------------------|-----------------------|
| ANNUAL SURPLUS (DEFICIT) | \$ <u>(812,086)</u> | \$ <u>(570,749)</u> | \$ <u>(516,811)</u> |
| Acquisition of tangible capital assets | (800,000) | (606,245) | (1,529) |
| Amortization of tangible capital assets | 1,195,661 | 980,013 | 939,923 |
| Loss (gain) on disposal of tangible capital assets | | (3,591) | (1,230) |
| Proceeds on sale of tangible capital assets | | 3,591 | 1,230 |
| (Increase) decrease in prepaid expenses | | 37,554 | (80,686) |
| (Increase) decrease in inventories | | <u>(61,072)</u> | <u>13,987</u> |
| | <u>395,661</u> | <u>350,250</u> | <u>871,695</u> |
| CHANGE IN NET FINANCIAL ASSETS | \$ <u>(416,425)</u> | (220,499) | 354,884 |
| NET DEBT, BEGINNING OF THE YEAR | | <u>(1,513,923)</u> | <u>(1,868,807)</u> |
| NET DEBT, END OF THE YEAR | | \$ <u>(1,734,422)</u> | \$ <u>(1,513,923)</u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------|-----------------------|
| OPERATING ACTIVITIES | | |
| Annual surplus (deficit) | \$ (570,749) | \$ (516,811) |
| Changes in non-cash items: | | |
| Accounts receivable | 13,492 | 302,859 |
| Inventories | (61,072) | 13,987 |
| Prepays | 37,554 | (80,686) |
| Accounts payable and accrued liabilities | 528,663 | (115,778) |
| Deferred revenue | (4,825) | (18,356) |
| Loss (gain) on disposal of tangible capital assets | (3,591) | (1,230) |
| Amortization | <u>980,013</u> | <u>939,923</u> |
| Cash provided (used) in operating activities | <u>919,485</u> | <u>523,908</u> |
| CAPITAL ACTIVITIES | | |
| Proceeds on sale of tangible capital assets | 3,591 | 1,230 |
| Cash used to acquire tangible capital assets | <u>(606,245)</u> | <u>(1,529)</u> |
| Cash provided (used) in capital activities | <u>(602,654)</u> | <u>(299)</u> |
| FINANCING ACTIVITIES | | |
| Repayment of obligations and capital leases | <u>(11,631)</u> | <u>(44,952)</u> |
| Cash provided (used) in financing activities | <u>(11,631)</u> | <u>(44,952)</u> |
| INCREASE IN CASH | 305,200 | 478,657 |
| CASH DEFICIENCY, beginning of the year | <u>(1,538,399)</u> | <u>(2,017,056)</u> |
| CASH DEFICIENCY, end of the year | <u>\$ (1,233,199)</u> | <u>\$ (1,538,399)</u> |
| CASH CONSISTS OF: | | |
| Cash on hand | \$ 7,968 | \$ 500 |
| Bank indebtedness | <u>(1,241,167)</u> | <u>(1,538,899)</u> |
| | <u>\$ (1,233,199)</u> | <u>\$ (1,538,399)</u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

1. Status of the Marble Mountain Development Corporation

Marble Mountain Development Corporation is an "Other Government Organization" (OGO) and operates under the provisions of the Corporations Act of the Province of Newfoundland and Labrador. The organization is a not-for-profit under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The principal activity of the organization is managing and controlling the development of the Marble Mountain area.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

(b) Financial Assets

Cash quoted in an active market are measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

(c) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(d) Inventories

Inventories held for use are recorded at the lower of cost and net realizable value. Cost is determined on the first-in-first-out basis based on the supplier invoiced cost.

(Cont'd)

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

2. Significant Accounting Policies (Cont'd)

(e) Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligible criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put into use and one-half of the annual amortization is charged in the year of acquisition and in the year of disposal. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------------|------------|
| Land | Indefinite |
| Area Improvements | 30 years |
| Buildings | 40 years |
| Computer Equipment | 3 years |
| Equipment under Capital Lease | 3-10 years |
| Furniture and Fixtures | 5 years |
| Lifts | 30 years |
| Rental Equipment | 3 years |
| Signs | 5 years |
| Vehicles | 3-20 years |
| Uniforms | 3 years |

(g) Revenue Recognition

Revenues are recognized when the significant risks and rewards of ownership have been completed and there are no other significant obligations remaining, the sales and service prices are fixed and determinable, persuasive evidence of an arrangement exists and collectability is reasonably assured. This usually occurs at the time the sales and services are provided.

Non-monetary exchanges are measured at the more reliable measure of the fair value of the item given up and the fair value of the item received.

(h) Use of Estimates

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used. Items requiring the use of significant estimates include the value of inventory, the useful life of capital assets, accrued liabilities, and deferred revenue.

(Cont'd)

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

2. Significant Accounting Policies (Cont'd).

(i) Leased Assets

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of the property are accounted for as capital leases. These assets are amortized in a manner consistent with tangible capital assets owned by the organization, and the obligation, including interest, is liquidated over the term of the lease. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(j) Cash and Temporary Investments

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------|-----------------|---------------|
| Cash is comprised of the following: | | |
| Cash on hand | \$ <u>7,968</u> | \$ <u>500</u> |

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

3. Accounts Receivable

| | <u>2022</u> | <u>2021</u> |
|-------------------|-----------------------------|------------------|
| Trade receivables | \$ 51,361 | \$ 30,821 |
| HST receivable | <u> </u> | <u>34,032</u> |
| | <u>\$ 51,361</u> | <u>\$ 64,853</u> |

4. Prepaid expenses

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|-----------------------------|-------------------|
| Insurance | \$ 118,166 | \$ 97,061 |
| Equipment deposit | | 64,454 |
| Unused partnership contributions | 7,130 | |
| Lease deposit | <u> </u> | <u>1,335</u> |
| | <u>\$ 125,296</u> | <u>\$ 162,850</u> |

5. Accounts Payable and Accrued Liabilities

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|-------------------|------------------|
| Accounts payable | \$ 468,128 | \$ 15,613 |
| Government remittances payable | 64,735 | |
| Other payables | <u>12,123</u> | <u>710</u> |
| | <u>\$ 544,986</u> | <u>\$ 16,323</u> |

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

6. Obligations under capital lease

| | <u>2022</u> | <u>2021</u> |
|--|-------------|------------------|
| National Leasing lease bearing interest at 7.79% per annum, repayable in blended monthly payments of \$1,335. The lease matures on January 1, 2022 and is secured by a charge over specific equipment. | \$ _____ | \$ <u>11,631</u> |

7. Deferred Revenue

The organization has on deposit funds collected for events not yet held and unused gift cards sold. There is also non-monetary consideration received for advertising revenue not yet earned. The balance of \$7,598 will be recognized in revenue in 2022-2023.

8. Bank Indebtedness

The line of credit has an authorized limit in the amount of \$2,087,000 (2021 - \$2,087,000) and bears an interest at the bank's prime rate + 0.75% per annum. It is secured by a Provincial Government guarantee and a letter of indemnity and an overdraft agreement signed by the Board of Directors.

| | <u>2022</u> | <u>2021</u> |
|--------------------------------------|-----------------------|-----------------------|
| Current bank account (overdraft) | \$ 131,071 | \$ (116,566) |
| Operating line of credit (overdraft) | <u>(1,372,238)</u> | <u>(1,422,333)</u> |
| | <u>\$ (1,241,167)</u> | <u>\$ (1,538,899)</u> |

9. Government transfers

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|-----------------------------|
| Provincial administrative operating grant | \$ 306,400 | \$ 1,200,000 |
| Capital grants | <u>800,000</u> | <u>400,000</u> |
| | 1,106,400 | 1,600,000 |
| Provincial marketing grant | <u>140,000</u> | <u> </u> |
| | <u>\$ 1,246,400</u> | <u>\$ 1,600,000</u> |

10. Patrol operating expenses

| | <u>2022</u> | <u>2021</u> |
|--------------|------------------|------------------|
| Labour | \$ 52,484 | \$ 42,120 |
| Supplies | 8,681 | 4,925 |
| Telephone | 243 | 815 |
| Radio rental | 1,500 | 1,200 |
| Sundry | <u>1,174</u> | <u>1,020</u> |
| | <u>\$ 64,082</u> | <u>\$ 50,080</u> |

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

11. Financial instrument risk management

The organization, as part of its operations, carries a number of financial instruments and as such is exposed to credit risk, liquidity risk, and interest rate risk. This note describes the organization's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect to these risks is presented below and throughout these financial statements.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The organization places its operating and reserve cash with high quality institutions and believes its exposure to this risk is not significant. The organization's maximum exposure to credit risk at the financial statement date is the carrying value of cash and accounts receivable as presented on the statement of financial position.

At year end, the amounts outstanding are as follows:

| | <u>2022</u> | <u>2021</u> |
|---------------|------------------|------------------|
| Current | \$ 18,867 | \$ 39,465 |
| 31 to 60 days | 8,810 | |
| 61 to 90 days | 4,737 | |
| Over 90 days | <u>18,947</u> | <u>25,388</u> |
| | <u>\$ 51,361</u> | <u>\$ 64,853</u> |

At year end, management has determined that all accounts receivable amounts are collectible. There have been no changes from the prior year in the organization's policies, procedures and methods used to manage and measure risk.

The organization's exposure to credit risk has significantly decreased from the prior year as the balance of accounts receivable has decreased.

Liquidity Risk

Liquidity risk is the risk that the corporation will not be able to meet its obligations as they come due. Liquidity risk also includes the risk that the organization is not able to liquidate assets in a timely manner at a reasonable price. The organization is exposed to liquidity risk through its accounts payable, bank indebtedness, and capital lease obligations.

Marble Mountain Development Corporation manages this risk by monitoring cash activities and expected outflows through budgeting. The organization measures its exposure to liquidity risk based on cash flow.

There have been no changes from the prior year in the organization's policies, procedures and methods used to manage and measure risk.

The organization's exposure to liquidity risk has significantly decreased from the prior year as the balance of accounts payable has decreased

(Cont'd)

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022

11. Financial instrument risk management (Cont'd)

Interest rate risk

The organization is exposed to interest rate risk on its fixed-interest and variable-interest financial instruments. Fixed-interest instruments subject the organization to a fair value risk while the variable-interest instruments subject it to a cash flow risk.

Fair value

The fair value of cash, accounts receivable and accounts payable is approximately equal to their carrying value given their short-term maturity date.

12. Comparative Figures

Some of the 2021 figures presented for comparative purposes have been restated to conform with the financial statement presentation adopted in the current year.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED
APRIL 30, 2022

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED APRIL 30, 2022
SCHEDULE 1

| Cost | Totals | | | | | | | | | | | | |
|---|-------------------|--------------------------------------|------------------------|--------------------------------|-------------------------------|------------------------|---------------------|------------------|---------------|-----------------|---------------------|---------------------|--|
| | Area Improvements | Buildings and Leasehold Improvements | Vehicles and Equipment | Computer Hardware and Software | Equipment under Capital Lease | Furniture and Fixtures | Lifts | Rental Equipment | Signs | Uniforms | 2022 | 2021 | |
| Opening costs | \$ 10,792,132 | \$ 10,943,449 | \$ 8,572,898 | \$ 194,477 | \$ 1,056,118 | \$ 885,844 | \$ 7,499,470 | \$ 230,711 | \$ 96,781 | \$ 20,524 | \$ 40,292,404 | \$ 40,292,105 | |
| Additions during the year | | 122,310 | 60,676 | 104,875 | | | 303,908 | 14,476 | | | 606,245 | 1,529 | |
| Disposals and write downs | | | | | | | | (3,591) | | | (3,591) | (1,230) | |
| Closing costs | <u>10,792,132</u> | <u>11,065,759</u> | <u>8,633,574</u> | <u>299,352</u> | <u>1,056,118</u> | <u>885,844</u> | <u>7,803,378</u> | <u>241,596</u> | <u>96,781</u> | <u>20,524</u> | <u>40,895,058</u> | <u>40,292,404</u> | |
| Accumulated Amortization | | | | | | | | | | | | | |
| Opening accumulated amortization | 9,701,458 | 6,555,986 | 8,561,492 | 194,477 | 868,809 | 867,671 | 3,525,875 | 217,382 | 96,781 | 16,857 | 30,606,788 | 29,668,095 | |
| Amortization | 359,738 | 275,115 | 691 | 17,479 | 77,851 | 12,426 | 221,601 | 12,667 | | 2,445 | 980,013 | 939,923 | |
| Disposals and write downs | | | | | | | | (3,591) | | | (3,591) | (1,230) | |
| Closing accumulated amortization | <u>10,061,196</u> | <u>6,831,101</u> | <u>8,562,183</u> | <u>211,956</u> | <u>946,660</u> | <u>880,097</u> | <u>3,747,476</u> | <u>226,458</u> | <u>96,781</u> | <u>19,302</u> | <u>31,583,210</u> | <u>30,606,788</u> | |
| Net Book Value of Tangible Capital Assets | <u>\$ 730,936</u> | <u>\$ 4,234,658</u> | <u>\$ 71,391</u> | <u>\$ 87,396</u> | <u>\$ 109,458</u> | <u>\$ 5,747</u> | <u>\$ 4,055,902</u> | <u>\$ 15,138</u> | <u>\$</u> | <u>\$ 1,222</u> | <u>\$ 9,311,848</u> | <u>\$ 9,685,616</u> | |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

SCHEDULE 2

SCHEDULE OF LIFT OPERATIONS FOR THE YEAR ENDED APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|---------------------|---------------------|
| REVENUE | | |
| Season passes | \$ 322,308 | \$ 122,762 |
| Lift tickets | 413,778 | 260,955 |
| Miscellaneous | 49,789 | 2,163 |
| Locker rental | 30,281 | 27,381 |
| Children's Centre | <u>4,928</u> | <u> </u> |
| | <u>821,084</u> | <u>413,261</u> |
| EXPENDITURES | | |
| Snow making | | |
| Electricity | 87,912 | 58,506 |
| Equipment maintenance | 28,274 | 13,443 |
| Maintenance | | |
| Building | 37,059 | 113,573 |
| Slopes | 29,322 | 21,302 |
| Vehicle operating | | |
| Fuel | 61,041 | 19,956 |
| Repairs | 48,591 | 28,560 |
| Labour | 493,793 | 310,025 |
| Insurance | 181,465 | 150,158 |
| Heating and electricity | 117,996 | 83,919 |
| Lift repairs | 110,116 | 75,904 |
| Patrol expenses (Note 10) | 64,082 | 50,080 |
| Snow clearing | 40,600 | 46,000 |
| Supplies | 33,646 | 22,192 |
| Interest and bank charges | 29,872 | 30,815 |
| Municipal fees | 27,826 | 27,269 |
| Miscellaneous | 25,524 | 11,526 |
| Children's centre | 9,933 | |
| Communications | 8,332 | 12,168 |
| Equipment rental | 1,881 | 6,381 |
| Uniforms | 1,253 | 877 |
| Security | 274 | 274 |
| Management contract | <u> </u> | <u>126,000</u> |
| | <u>1,438,792</u> | <u>1,208,928</u> |
| DEFICIT FROM OPERATIONS | <u>\$ (617,708)</u> | <u>\$ (795,667)</u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 3
SCHEDULE OF RENTAL AND REPAIR SHOP OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|------------------------------------|-----------------------|----------------------|
| REVENUE | | |
| Rentals | \$ 151,272 | \$ 53,566 |
| Repairs | <u>7,265</u> | <u>1,689</u> |
| | <u>158,537</u> | <u>55,255</u> |
| EXPENDITURES | | |
| Labour | 49,205 | 21,740 |
| Interest and bank charges | 3,547 | 4,120 |
| Supplies | 847 | |
| Miscellaneous | 173 | |
| Communications | <u>122</u> | <u>409</u> |
| | <u>53,894</u> | <u>26,269</u> |
| SURPLUS FROM OPERATIONS | <u>\$ 104,643</u> | <u>\$ 28,986</u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 4
SCHEDULE OF FOOD AND BEVERAGE OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|---|------------------|--------------------|
| REVENUE | \$ 543,517 | \$ 47,450 |
| COST OF SALES | <u>281,075</u> | <u>41,381</u> |
| GROSS PROFIT | <u>262,442</u> | <u>6,069</u> |
| EXPENDITURES | | |
| Labour | 160,408 | 39,152 |
| Entertainment: | 31,678 | 300 |
| Supplies | 23,759 | 2,067 |
| Repairs and maintenance | 10,694 | |
| Interest and bank charges | 10,070 | 3,538 |
| Security | 3,854 | |
| Miscellaneous | 800 | 3,950 |
| Communications | 604 | 1,372 |
| Utilities | <u>378</u> | <u>89</u> |
| | <u>242,245</u> | <u>50,468</u> |
| SURPLUS (DEFICIT) FROM OPERATIONS | \$ <u>20,197</u> | \$ <u>(44,399)</u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 5
SCHEDULE OF SKI SCHOOL OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|-------------------------|---------------------------|
| REVENUE | \$ <u>125,087</u> | \$ <u>26,201</u> |
| EXPENDITURES | | |
| Labour | 93,872 | 37,744 |
| Miscellaneous | 5,598 | |
| Supplies | 3,403 | 3,493 |
| Krunchers Club | 1,925 | |
| Communications | <u>284</u> | <u>976</u> |
| | <u>105,082</u> | <u>42,213</u> |
| DEFICIT FROM OPERATIONS | \$ <u><u>20,005</u></u> | \$ <u><u>(16,012)</u></u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

SCHEDULE 6 SCHEDULE OF MARKETING OPERATIONS FOR THE YEAR ENDED APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|---|------------------|--------------------|
| REVENUE | | |
| Sponsorships | \$ 7,609 | \$ 2,200 |
| Partnership contributions | 30,748 | 16,638 |
| Merchandise | <u>9,029</u> | <u> </u> |
| | <u>47,386</u> | <u>18,838</u> |
| EXPENDITURES | | |
| Marketing | 55,906 | 15,846 |
| Labour | 30,307 | 1,038 |
| Partnership contributions | 16,670 | 12,890 |
| Merchandise | 9,261 | |
| Advertising | 8,020 | 400 |
| Supplies | 6,859 | |
| Membership fees | 1,335 | 485 |
| Communications | <u>513</u> | <u>1,767</u> |
| | <u>128,871</u> | <u>32,426</u> |
| DEFICIT FROM OPERATIONS - BEFORE MARKETING GRANT | (81,485) | (13,588) |
| Marketing grant (Note: 9) | <u>140,000</u> | <u> </u> |
| SURPLUS (DEFICIT) FROM OPERATIONS | <u>\$ 58,515</u> | <u>\$ (13,588)</u> |

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 7
SCHEDULE OF MARBLE VILLA OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2022

| | <u>2022</u> | <u>2021</u> |
|---|--------------------|--------------------|
| REVENUE | | |
| Occupancy | \$ <u>107,330</u> | \$ <u>2,201</u> |
| EXPENDITURES | | |
| Heat and light | 28,068 | 28,922 |
| Labour | 23,113 | |
| Insurance | 20,453 | |
| Repairs and maintenance | 14,634 | 9,818 |
| Supplies | 9,721 | |
| Cable television | 8,143 | 656 |
| Interest and bank charges | 6,890 | 164 |
| Miscellaneous | 4,612 | 2,409 |
| Communications | 4,520 | 13,361 |
| Marketing | <u>100</u> | <u>248</u> |
| | <u>120,254</u> | <u>55,578</u> |
| SURPLUS (DEFICIT) FROM OPERATIONS | \$ <u>(12,924)</u> | \$ <u>(53,377)</u> |

See accompanying notes to the consolidated financial statements