

Marble Mountain Development Corporation

Annual Report 2021-22

Message from the Executive Chair

As Executive Chairperson of the Marble Mountain Development Corporation, I am pleased to submit the Annual Report for the period of May 1, 2021 to April 30, 2022. This Annual Report is submitted in accordance with the obligation as a category two entity under the **Transparency and Accountability Act**, prepared under the direction of the Board.

The 2021-22 Fiscal Year was one of both change and challenge for Marble Mountain. Operations continued to be impacted by the global pandemic, as well as several adverse weather events and infrastructure issues. At the same time, Marble Mountain began the transition to multi-season operations, with equipment upgrades, improved food and beverage offerings, the re-opening of Marble Villa and new activities and event offerings to the public. These positive changes were enabled through new appointments to the Board, and a new management team focused on enhanced safety, exceptional customer experience, and determination to build a true year-round resort experience at Marble Mountain.

My signature below is indicative of the Board's accountability for the preparation of this report and the results reported within.

Sincerely,



Bruce Hollett
Executive Chairperson
Marble Mountain Development Corporation

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Entity Overview

Organizational Structure

Marble Mountain Development Corporation (MMDC) is a Crown entity responsible for the operation of Marble Mountain Resort, located in Steady Brook, Newfoundland and Labrador. Serving as a catalyst for tourism development in the western region and provincially, MMDC operates the largest alpine ski resort in Atlantic Canada and supports the development of the Marble Resort's lands and facilities for commercial tourism operations by private interests.

Mandate

The mandate of the MMDC is to promote the Marble Mountain resort area to local users, visitors to the province, and potential business operators. It also supports the development of the lands and facilities for commercial tourism operations by private interests.

Primary Clients

The MMDC identifies its primary clients as those individuals, groups, or organizations who are the principal users and/or beneficiaries of the Corporation's lines of business, and includes alpine sports enthusiasts, private industry, special event attendees, and the non-skiing public requiring food and beverage.

Staff and Budget

Marble Mountain Resort employs over 100 unionized seasonal and part time employees. 34% of these employees are female and 66% are male.

MMDC operations are funded through own source revenue generation from ski pass sales, equipment rentals, food and beverage sales, nightly accommodations rentals at

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Marble Villa, event and activity revenue, sponsorship revenue, and rental agreements with other entities operating on resort lands. As well, in 2021-22 MMDC received an operating grant of \$306,000 and a capital equipment grant of \$800,000 from the Government of Newfoundland and Labrador.

Board of Directors

Marble Mountain Resort is overseen by a Board of Directors appointed by the Government of Newfoundland and Labrador, including community representatives nominated by the City of Corner Brook and the Town of Steady Brook.

As of April 30, 2022, Board of Directors membership was as follows:

Executive Chairperson	Bruce Hollett
Board Members	Carol Ann Gilliard
	Doug Trask
	Heidi Staeben-Simmons (Corner Brook)
	Thomas Mackey (Steady Brook)

The Executive Chairperson functions as Board Chair and Chief Executive Officer of MMDC, and Resort Operations are led by a General Manager, supported by Managers of Outside Operations, Marketing and Events, Food and Beverage, Villa and Office Operations, and Snow School (seasonal).

Physical Location

P.O. Box 947

Corner Brook, NL A2H 6J2

Telephone: (709) 637-7601, Toll Free: 1-888-462-7253

Facsimile: (709) 634-1702

Website: www.skimarble.com

Highlights and Partnerships

Highlights

Operations at Marble Mountain Resort continued to be impacted in Winter 2022 by capacity restrictions related to COVID-19. Major planned events for New Year's Eve were cancelled, other events were delayed and further event opportunities were restricted. Despite these challenges, Marble Mountain Resort had a number of operating successes in 2021-22.

Season pass sales were on par this year with recent pre-pandemic levels at about 1,200 season passes. Daily lift pass sales were also up this year, reaching almost 18,000 visits. Despite these positive numbers, sales were negatively impacted by customer concerns over potential pandemic-related shutdowns, weather-related closures and the multi-day lift shutdown at peak season. Given the challenges experienced during the previous two seasons, Marble did not increase season pass prices, and kept the early bird sales options open for a longer than normal period, in an effort to rebuild customer confidence. Given the very positive customer experience reviews this season - despite the challenges - MMDC expects that season pass sales will increase next year, and enhanced marketing efforts and partnerships as well as the lifting of travel restrictions will build out-of-province visitation.

MMDC restructured and hired a new management team focused on operational safety, exceptional customer experience, and resort improvement and expansion. MMDC also reached a new collective agreement with unionized staff during 2021-22. Marble Mountain Resort staff widely recognized, supported and enabled the new and enhanced operating focus at the resort.

Marble Mountain Resort made significant efforts to modernize and improve the efficiency and customer experience of its point-of-sale and transactional systems through the

acquisition and implementation of Square terminals, moving to Starlink Internet service, and utilizing TIXR Box Office for public concert and event ticket sales.

Marble Mountain Resort significantly enhanced its social media and marketing efforts, and greatly increased transparency on operating challenges. These efforts drew great praise from the community at large, and resulted in many new visitors to the facility. Followers of Marble Mountain Resort on Facebook and Instagram increased this year by 85 per cent and 175 per cent respectively representing 3,600 new followers. Visits to the social media pages on each platform increased this year by over 800 per cent. Marble Mountain Resort has arranged for a group visit of a large contingent of international ski journalists next winter, who in the past have only visited major resorts in Europe and elsewhere in North America.

Marble Villa reopened this winter following an almost two-year closure, which added to visitor accommodations choices and generated significant revenue for MMDC. Booking platforms for Marble Villa were expanded to include Air BnB and booking.com. Occupancy rates increased by approximately one third, despite significant cancellations due to COVID-19, weather events, and the lift failure. The Villa will also remain open through the spring, summer and fall seasons to support year round operations and events at Marble.

Partnerships

MMDC continued to support ongoing partnerships that benefit local business and generate revenue for MMDC, including Marble Zip Tours.

As well, MMDC developed new or enhanced partnerships during 2021-22 including:

- Gros Morne Coffee Roasters for the development of a specialty coffee shop;
- Western Snow Riders to promote Marble Mountain Resort as a snowmobile-friendly venue for riders to visit for food and entertainment;
- Boomstick Craft Brewery for the development, production and provision of a Marble branded "Yard Sale" beer;

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- MusicNL for the development of Marble Mountain Resort as an entertainment venue and the promotion of NL artists;
- Bay of Islands Search and Rescue, a volunteer organization which provided crowd control at major events;
- NewFound Sushi, for the addition of their products to the food offerings at Marble;
- Marble Inn for the promotion of ski-and-stay packages with a spa option; and
- New commercial partnerships with Provincial Airlines and Coca Cola.

Report on Performance

Issue #1: Supporting Operations

In 2021-22, MMDC supported operations at Marble Mountain Resort by commencing the development and implementation of detailed and specific initiatives to offer year-round activities and events with a focus on enhanced safety and exceptional customer experience.

Goal Statement

By April 30, 2023, the MMDC will have supported the operation of Marble Mountain.

2021-22 Objective

By April 30, 2022, the MMDC will have provided a recreational ski experience for the public.

Indicator 1: Undertook activities to support the operation of the ski hill at Marble Mountain.

Marble Mountain Resort commenced ski operations this past season on January 15, 2022. While snowmaking operations commenced early in December, opening day was delayed by a week because significant rain events in early January impacted snow cover. Marble Mountain Resort was open for skiing 62 days during the 2022 winter season, the highest number of days since 2018-19. The ski season would have been longer were it not for several significant rain events, and a major lift failure which shut down the main ski-lift for two weeks in March, 2022. A further issue with this lift resulted in the ski season ending approximately 1 week earlier than planned in mid-April.

The food and beverage service was significantly enhanced with the development of an entirely new menu with high quality offerings including Newfoundland and Labrador's first and only authentic Texas BBQ smoker. A new restaurant and bar venue, Bishop's Tavern, was developed within the facility as a further option to the existing cookhouse

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and main lounge. Through a partnership with Gros Morne Coffee Roasters, a very successful new specialty coffee shop was also opened at Marble Mountain Resort. Marble held a large scale music concert for the first time in several years this winter, and had regular live music entertainment throughout the ski season, providing welcomed performance opportunities for local artists. Jibfest returned to Marble Mountain Resort for the first time in two years. Marble Mountain Resort also hosted two large community markets for the first time, which were well-received by the public and provided opportunities for local craft vendors and producers. Regular open mic and trivia nights were introduced in the new Bishops Tavern which also brought many new visitors to the Marble Mountain Resort.

The Resort hosted the first Come Home Year Cup event sponsored by the Government of Newfoundland and Labrador. The winter season closed out with the Slush Cup ski races, followed by Race on the Rock – a very successful uphill snowmobile drag race and snowcross event which attracted participants from within and outside Newfoundland and Labrador.

MMDC has re-introduced wedding packages at Marble Mountain Resort for 2022 and beyond, and has successfully commenced marketing the resort as a large scale meeting, event and concert venue. Multiple bookings were made during 2021-22 for events to be held in 2022-23.

Marble Mountain Resort acquired and operationalized electronic gate systems at the lift lines this year which enhanced safety through contactless pass verification, and virtually eliminated issues related to non-paying users. This system will also provide valuable user information to MMDC to help improve customer service going forward.

MMDC is developing and implementing year-round operational plans, and capital maintenance and improvement plans to support continued operations.

2022-23 Objective

By April 30, 2023, the MMDC will have provided a recreational ski experience for the public.

Indicator 1: Undertook activities to support the operation of the ski hill at Marble Mountain.

Opportunities and Challenges

Opportunities

MMDC acknowledges that there are significant opportunities to improve the ski experience, as well as non-ski activities and events year round. MMDC recognizes the need to improve and expand service offerings to the public, attract increased visits from inside and outside the Province, better utilize and improve the existing facilities at Marble Mountain Resort, and significantly enhance the financial viability of the resort.

MMDC is identifying, developing and marketing year-round activities, and building new experience offerings by working with external groups including the cruise ship industry and the mountain biking and hiking communities.

Challenges

MMDC recognizes that there are many challenges to address as it develops and implements its expanded year-round operational plans, including:

- Capital improvement needs are significant due to aging infrastructure including: ski lifts which require major repairs and upgrades; old and somewhat limited snowmaking capacity, groomers and other heavy equipment; decking around the main lodge and building envelopes;
- Significant cost increases related to the energy intensive nature of ski operations as well as general inflationary impacts;
- Supply chain challenges impacting the availability and delivery time of required parts and equipment to enable smooth and continued operations of essential equipment; and
- Recruitment challenges to ensure sufficient staff to support expected operating capacity and expanded operations.

Financial Information

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





Chartered Professional Accountants

2 HUMBER ROAD, CORNER BROOK, N.L. A2H 1C9 (709) 639-7501 FAX 639-9220 EMAIL info@bcj.ca

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 Janes
CHARTERED PROFESSIONAL ACCOUNTANTS



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

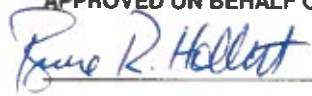
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MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2022

	<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:



See accompanying notes to the consolidated financial statements



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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



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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



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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>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>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	Litrs	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	104,675			303,908	14,476			606,245	1,529
Disposals and write downs								(3,591)			(3,591)	(1,230)
Closing costs	10,792,132	11,065,759	8,633,574	299,352	1,056,118	885,844	7,803,378	241,596	96,781	20,524	40,895,058	40,292,404
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	30,606,789	29,668,095
Amortization	359,738	275,115	691	17,479	77,851	12,426	221,601	12,667		2,446	980,013	939,923
Disposals and write downs								(3,591)			(3,591)	(1,230)
Closing accumulated amortization	10,061,196	6,831,101	8,562,183	211,956	946,660	880,097	3,747,476	226,458	96,781	19,302	31,583,210	30,606,789
Net Book Value of Tangible Capital Assets	\$ 730,936	\$ 4,234,658	\$ 71,391	\$ 87,396	\$ 109,458	\$ 5,747	\$ 4,055,902	\$ 15,138	\$	\$ 1,222	\$ 9,311,848	\$ 9,685,616

See accompanying notes to the consolidated financial statements

ANNUAL REPORT 2020-21

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



ANNUAL REPORT 2020-21

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



ANNUAL REPORT 2020-21

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



15.

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>20,005</u>	\$ <u>(16,012)</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



17.

ANNUAL REPORT 2020-21

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



