

# **Marble Mountain Development Corporation**

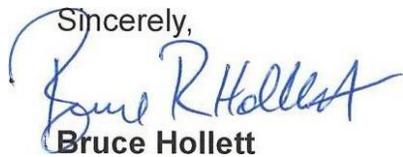
Annual Report 2023-24

# Message from the Chairperson

As Chairperson of the Marble Mountain Development Corporation, I am pleased to submit the Annual Report for the period of May 1, 2023, to April 30, 2024. 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 2023-24 Fiscal Year was one of continued growth and transformation for Marble Mountain. While operations continued to be impacted by weather and infrastructure challenges, Marble Mountain expanded year-round operations with infrastructure and equipment upgrades to offer summer and fall scenic chair lift rides as well as an improved ski experience with the acquisition of a new groomer and re-opening of the Black Maria chair lift. This transformation effort was enabled by support from the Provincial Government, continued partnership growth, and a management team focused on enhanced safety, exceptional customer experience, innovation, and determination to build a true year-round resort experience at Marble Mountain.

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

Sincerely,  
  
**Bruce Hollett**

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# Entity Overview

## Organizational Structure

The Marble Mountain Development Corporation (MMDC) is a Crown corporation 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, the MMDC operates the largest alpine ski resort in Atlantic Canada, offering year-round activities, attractions, accommodations, and services consistent with a major tourism establishment.

## 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, cruise ship visitors, and the non-skiing public requiring food, beverage, and accommodation services.

## Staff and Budget

The Marble Mountain Resort employs over 100 unionized year-round, seasonal and part-time employees. The MMDC operations are funded through revenue generation from ski pass sales, summer chair lift rides, cruise ship excursions, equipment rentals, food and beverage sales, nightly accommodations rentals at Marble Villa, event and activity revenue, sponsorship revenue, and rental agreements with other entities operating on resort lands. In 2023-24, the MMDC received an operating grant of

\$806,400 and a capital equipment grant of \$800,000 from the Government of Newfoundland and Labrador.

### **Board of Directors**

The Marble Mountain Resort is overseen by a Board of Directors appointed by the Government of Newfoundland and Labrador. The Board includes community representatives nominated by the City of Corner Brook and the Town of Steady Brook. As of May 1, 2024, the Board of Directors membership is as follows:

- Bruce Hollett, Executive Chairperson
- Carol-Ann Gilliard, Department of Tourism, Culture, Arts and Recreation Representative
- Doug Trask, Department of Finance Representative
- Heidi Staeben-Simmons, City of Corner Brook Representative
- Nigel Jenkins, Town of Steady Brook Representative

The Executive Chairperson functions as Board Chair and Chief Executive Officer of the MMDC, and Resort Operations are led by a General Manager, supported by a small team of year-round and seasonal managers.

### **Physical Location**

Exit #8, Trans-Canada Highway  
Steady Brook, NL A2H 2N2

### **Contact Information:**

P.O. Box 947

Corner Brook, NL A2H 6J2

Telephone: (709) 637-7601

Toll Free: 1-888-462-7253

Website: [www.skimarble.com](http://www.skimarble.com)

## Highlights and Partnerships

### Highlights

Despite a reduced ski season due to variable weather patterns, the MMDC experienced an increase of \$43,000 in season pass sales in 2023-24. In response to the challenges posed by reduced natural snowfall, the MMDC took steps to both improve snowmaking efforts as well as diversify and expand our offerings to build year-round engagement through summer and fall chairlift tours. Through extensive repairs and maintenance, the MMDC re-opened the Black Maria chairlift after five years of closure. This has sparked enthusiasm and interest among longtime passholders and stakeholders. Additionally, the chairlift serves as an alternate route to the summit, providing access at those times when other lifts are unavailable.

By enhancing the scenic lift experience, the MMDC showcases the stunning landscapes and vibrant ecosystems that flourish in warmer months. These tours not only provide guests with breathtaking views but promote outdoor activities such as hiking, biking, and wildlife observation. Additionally, the MMDC is committed to hosting seasonal events ensuring that the Resort remains a thriving year-round destination even as winter activity faces reduced reliability. Through these initiatives, the MMDC is not only adapting to changing conditions but fostering a deeper connection to the Resort outside of winter activities.

The Resort's food and beverage department experienced success during 2023-24, highlighted by the innovative pop-up restaurants hosted at Bishop's Tavern which have drawn a diverse crowd who are eager to experience unique culinary offerings. The introduction of smoked options on the après-ski and event menus has further elevated dining experiences, appealing to guests looking for distinctive culinary options. Additionally, these efforts resulted in a doubling of wedding bookings in 2023-24 compared to the previous fiscal year, showcasing the growing popularity of the venue and the exceptional service the Resort provides. These developments reflect the MMDC's commitment to enhancing guest satisfaction and creating memorable experiences.

## **Partnerships**

Marble Mountain is a significant contributor to the economy of Western Newfoundland. The MMDC continued to proudly grow and develop existing and new partnerships with local suppliers of goods and services, as well as marketing and promotional partnerships. In 2023-24, the MMDC successfully secured partnerships with the local tour company Wildland Tours that enabled Marble Mountain tours to be advertised and sold on incoming cruise ship lines, including Carnival, Norwegian, and Insignia. Cruise excursions in 2023-24 received excellent reviews from visiting passengers and offer tremendous growth potential for coming years.

## **Report on Performance**

### **Issue #1: Supporting Operations**

Marble Mountain Resort faces significant challenges with its key lines of business, including aging infrastructure and equipment, changing weather patterns, rapidly rising operating costs and staff recruitment and retention challenges.

#### **Goal**

By April 30, 2026, the MMDC will have supported the operation of the lines of business at Marble Mountain.

#### **2023-24 Objective**

By April 30, 2024, the MMDC will provide the services offered in the Lines of Business.

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

In 2023-24, the MMDC has made significant investments in capital asset maintenance, repair, and replacement, while also launching a new operational department. In 2023-24, the MMDC acquired a new CAT Excavator and Prinoth Groomer. With slope maintenance an ongoing priority, the excavator has empowered the MMDC's outside operations team to efficiently handle jobs and repairs in-house, reducing reliance on external contractors and creating more opportunities for our seasonal employees. Effective winter slope maintenance is largely dependent on grooming, and the aging machines previously in use often required repairs, struggling to meet the demands of

the season. The new groomer minimizes maintenance and issues, allowing for more reliable and timely access to the ski slopes.

The Marble Villa plays a vital role at the mountain, accommodating out-of-town guests, including skiers, snowboarders, and guests for weddings and conferences. The MMDC continued to update the Villa and finalized plans to replace the Villa roofing in 2023-24. To address ongoing workforce challenges, the MMDC established a new human resources department focused on workforce development in 2023-24. This initiative has enhanced employee recruitment, retention, scheduling, and training while fostering a positive work environment which increased the Resort's efficiency and improved customer service. As a result, productivity has increased, significantly supporting ski hill operations as the Resort transitions into a year-round destination.

### **2024-25 Objective**

By April 30, 2025, the MMDC will continue to provide the services offered in the Lines of Business.

**Indicator 1:** Undertook efforts to support the successful operation of the ski hill at Marble Mountain.

**Indicator 2:** Advanced strategic partnerships to support and promote recreational and sight-seeing activities.

### **Issue #2: Four-Season Resort Transition**

The MMDC, with the support of the Provincial Government, recognizes that transition to four-season resort operations is essential to meet the MMDC's mandate and enhance the Resort's long-term viability.

#### **Goal**

By April 30, 2026, the MMDC will have supported the development of enhanced four-season resort offerings at Marble Mountain.

## **2023-24 Objective**

By April 30, 2024, the MMDC will support development of expanded four-season activities and offerings at Marble Mountain.

### **Indicator 1: Engaged local businesses, stakeholders and the Provincial Government regarding transition to four-season activities and offerings at Marble Mountain**

The MMDC has supported initiatives to expand four-season activities at Marble Mountain over the 2023-24 season. This has been achieved by conducting lift modifications to enable downhill loading on the Lightning Express allowing scenic lift tours, and the development of hilltop infrastructure including an offloading platform, a trail and a viewing platform, and mobile washroom facilities to enhance customer experience. The MMDC developed new partnerships with tour operators and the Port of Corner Brook to gain access to the cruise ship market. The MMDC has implemented a guided experience that involves a tour of the lodge, a lift ride to the viewing deck at the top on the mountain, and a traditional “Screech-In” Ceremony. The lift was also open to local users, passholders and businesses wishing to host private events.

## **2024-25 Objective**

By April 30, 2025, the MMDC will continue to support the development of expanded four-season activities and offerings at Marble Mountain.

**Indicator 1:** Enhance traffic and staying visitors during summer and fall months, via strategic tour group engagement, to continue development of four-season activities and transition.

**Indicator 2:** Expand engagement with local businesses, stakeholders, and the Provincial Government to continue the transition of a four-season resort.

## **Opportunities and Challenges**

### **Opportunities**

The MMDC has a significant opportunity to grow resort visitation and revenue and increase tourism generally in Western Newfoundland year-round. This can be achieved

through continued improvements to existing facilities, continued development and offering of new features and events, and enhanced and expanded partnerships with regional businesses and communities.

As the MMDC continues to undertake activities to support the operation of the ski hill at the resort, the development of a multi-year maintenance plan to ensure operational continuity is anticipated. Moreover, the MMDC will conduct repairs on deteriorating capital assets and mobile equipment essential to continued operations.

### **Challenges**

The MMDC's top challenges are addressing rising operating costs; deferred maintenance issues; and the impact of changing weather patterns which has affected the amount and duration of natural snow cover and increases the demand on snow making capacity. Additionally, the MMDC is challenged in securing sufficient capital to maintain existing facilities while also fulfilling its mandate to develop and expand four-season attractions and operations.

# Financial Information



Chartered Professional Accountants

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

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November 26, 2024

Mr. Wayne Hicks, General Manger  
Marble Mountain Development Corporation  
P.O. Box 947  
Corner Brook, Newfoundland  
A2H 6J2

Dear Mr. Hicks:

We are pleased to enclose an electronic copy of the financial statements of Marble Mountain Development Corporation for the period ended April 30, 2024, as well as a copy of your 2024 Corporation Tax Return. We have forwarded a copy to Canada Revenue Agency on your behalf.

You should review these financial statements very carefully to ensure the information disclosed therein is correctly stated. Once this assurance is obtained, please sign a copy of the financial statements and return to us for our files.

Should you have any questions concerning the enclosed, or any other matters you wish to discuss, please feel free to contact us at any time.

Yours truly,

**BONNELL COLE JANES**

Brian Bonnell, CPA, CA

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**APRIL 30, 2024**

**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.

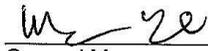
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial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

Nov. 28/24  
Date

  
General Manager

Nov. 28/24  
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, 2024 and the statement of operations, changes in net financial assets (debt) and cash flows for the year ended April 30, 2024, 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  
November 21, 2024

*Bonnell Cole Janes*  
CHARTERED PROFESSIONAL ACCOUNTANTS



**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

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**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>			
Lift operations (Schedule 2)	\$ (760,375)	\$ (920,799)	\$ (786,633)
Rental and repair shop (Schedule 3)	159,100	104,787	142,212
Food and beverage (Schedule 4)	704,655	(251,563)	28,395
Ski school (Schedule 5)	40,800	16,959	16,593
Marketing (Schedule 6)	(67,300)	(153,454)	(196,228)
Marble Villa (Schedule 7)	<u>245,000</u>	<u>53,215</u>	<u>220,344</u>
	<u>321,880</u>	<u>(1,150,855)</u>	<u>(575,317)</u>
<b>EXPENDITURES</b>			
Labour	300,000	376,303	261,671
Administration	30,000	76,025	57,256
Interest on short-term debt	100,000	125,207	36,684
Professional Fees	22,500	24,622	22,401
Communications	8,500	5,163	15,231
Miscellaneous	5,000	6,261	6,324
Interest and bank charges	5,000	12,920	3,184
Interest on capital lease obligations	<u>23,380</u>	<u>21,282</u>	<u>          </u>
	<u>494,380</u>	<u>647,783</u>	<u>402,751</u>
<b>EXCESS OF EXPENDITURES OVER REVENUE BEFORE CAPITAL GRANT, AMORTIZATION &amp; OTHER</b>	<u>(172,500)</u>	<u>(1,798,638)</u>	<u>(978,068)</u>
<b>OTHER OPERATING:</b>			
Gov. transfers-operating grant (Note:9)	306,400	806,400	356,400
Gov. transfers-marketing partnership (Note:9)	150,000	125,000	125,000
Gov. transfers-labour market partnership (Note:9)	<u>          </u>	<u>85,665</u>	<u>          </u>
	<u>456,400</u>	<u>1,017,065</u>	<u>481,400</u>
<b>EXCESS OF EXPENDITURES OVER REVENUE BEFORE CAPITAL GRANT, AMORTIZATION &amp; OTHER</b>	<u>283,900</u>	<u>(781,573)</u>	<u>(496,668)</u>
<b>CAPITAL GRANT, AMORTIZATION &amp; OTHER:</b>			
Gov. transfers - capital grant (Note:9)	800,000	800,000	1,350,000
Amortization of tangible capital assets	(980,013)	(1,053,699)	(1,018,552)
Gain on disposal of tangible capital assets	<u>          </u>	<u>1,326</u>	<u>3,152</u>
	<u>(180,013)</u>	<u>(252,373)</u>	<u>334,600</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 103,887</u>	<u>(1,033,946)</u>	<u>(162,068)</u>
<b>ACCUMULATED SURPLUS, beginning of the year</b>		<u>7,633,388</u>	<u>7,795,456</u>
<b>ACCUMULATED SURPLUS, end of the year</b>		<u>\$ 6,599,442</u>	<u>\$ 7,633,388</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, 2024**

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>103,887</u>	\$ (1,033,946)	\$ (162,068)
Acquisition of tangible capital assets	(1,275,000)	(1,256,695)	(1,079,666)
Amortization of tangible capital assets	980,013	1,053,699	1,018,552
Loss (gain) on disposal of tangible capital assets		(1,326)	(3,152)
Proceeds on sale of tangible capital assets		1,326	3,152
(Increase) decrease in prepaid expenses		(70,569)	(42,076)
(Increase) decrease in inventories	<u>                    </u>	<u>(20,270)</u>	<u>31,438</u>
	<u>(294,987)</u>	<u>(293,835)</u>	<u>(71,752)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	\$ <u>(191,100)</u>	(1,327,781)	(233,820)
<b>NET DEBT, BEGINNING OF THE YEAR</b>		<u>(1,968,242)</u>	<u>(1,734,422)</u>
<b>NET DEBT, END OF THE YEAR</b>		<u>\$ (3,296,023)</u>	<u>\$ (1,968,242)</u>

See accompanying notes to the consolidated financial statements



**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

	<u>2024</u>	<u>2023</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (1,033,946)	\$ (162,068)
<b>Changes in non-cash items:</b>		
Accounts receivable	103,586	(120,811)
Inventories	(20,270)	31,438
Prepays	(70,569)	(42,076)
Accounts payable and accrued liabilities	(663,094)	632,179
Deferred revenue	218,202	37,513
Loss (gain) on disposal of tangible capital assets	(1,326)	(3,152)
Amortization	<u>1,053,699</u>	<u>1,018,552</u>
Cash provided (used) in operating activities	<u>(413,718)</u>	<u>1,391,575</u>
<b>CAPITAL ACTIVITIES</b>		
Proceeds on sale of tangible capital assets	1,326	3,152
Cash used to acquire tangible capital assets	<u>(1,256,695)</u>	<u>(1,079,666)</u>
Cash provided (used) in capital activities	<u>(1,255,369)</u>	<u>(1,076,514)</u>
<b>FINANCING ACTIVITIES</b>		
Financing from leasing contracts	789,175	
Payments on capital leases	<u>(125,383)</u>	
Cash provided (used) in financing activities	<u>663,792</u>	
<b>(DECREASE) INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	(1,005,295)	315,061
<b>CASH DEFICIENCY, beginning of the year</b>	<u>(918,138)</u>	<u>(1,233,199)</u>
<b>CASH DEFICIENCY, end of the year</b>	<u>\$ (1,923,433)</u>	<u>\$ (918,138)</u>
<b>CASH CONSISTS OF:</b>		
Cash on hand	\$ 3,000	\$ 3,665
Bank indebtedness	<u>(1,926,433)</u>	<u>(921,803)</u>
	<u>\$ (1,923,433)</u>	<u>\$ (918,138)</u>

See accompanying notes to the consolidated financial statements



**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

**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, 2024**

**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 accounts receivable, 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, 2024**

**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>2024</u>	<u>2023</u>
Cash is comprised of the following:		
Cash on hand	\$ <u>3,000</u>	\$ <u>3,665</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>2024</u>	<u>2023</u>
Trade receivables	\$ <u>68,586</u>	\$ <u>172,172</u>

**4. Prepaid expenses**

	<u>2024</u>	<u>2023</u>
Insurance	\$ 206,430	\$ 167,372
Equipment deposit	12,000	
Unused partnership contributions	<u>19,511</u>	
	\$ <u>237,941</u>	\$ <u>167,372</u>

**5. Accounts Payable and Accrued Liabilities**

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 491,011	\$ 1,044,704
Government remittances payable	19,132	116,974
Other payables	<u>3,928</u>	<u>15,487</u>
	\$ <u>514,071</u>	\$ <u>1,177,165</u>

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

**6. Obligations under capital lease**

	<u>2024</u>	<u>2023</u>
National Leasing lease bearing interest at 7.5% per annum, repayable in blended monthly payments of \$20,110 from November to April and \$500 from May to October. The lease matures December 1, 2028 and is secured by a charge over specific equipment.	\$ 434,575	\$
Caterpillar Financial Services lease bearing interest at 5.67% per annum, repayable in blended monthly payments of \$5,068. The lease matures on July 12, 2028 and is secured by a charge over specific equipment.	<u>229,217</u>	<u>                    </u>
	<u>\$ 663,792</u>	<u>\$</u>

Future minimum capital lease payments for subsequent years are as follows:

2025	\$ 140,534
2026	151,029
2027	161,744
2028	188,296
2029	<u>22,189</u>
	<u>\$ 663,792</u>

**7. Deferred Revenue**

The organization has on deposit funds collected for events not yet held, government grants for special purposes not yet spent, and unused gift cards sold. The balance of \$263,313 will be recognized in revenue in 2024-2025, 2025-2026 and 2026-2027.

**8. Bank Indebtedness**

The line of credit has an authorized limit in the amount of \$2,087,000 (2023 - \$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>2024</u>	<u>2023</u>
Current bank account (overdraft)	\$ (133,898)	\$ 407,443
Operating line of credit (overdraft)	<u>(1,792,535)</u>	<u>(1,329,246)</u>
	<u>\$ (1,926,433)</u>	<u>\$ (921,803)</u>

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

**9. Government transfers**

	<u>2024</u>	<u>2023</u>
Provincial administrative operating grant	\$ 806,400	\$ 356,400
Provincial marketing grant	125,000	125,000
Provincial labour market grant	<u>85,665</u>	<u>          </u>
Capital grants	1,017,065	481,400
	<u>800,000</u>	<u>1,350,000</u>
	<u>\$ 1,817,065</u>	<u>\$ 1,831,400</u>

**10. Patrol operating expenses**

	<u>2024</u>	<u>2023</u>
Labour	\$ 86,890	\$ 107,090
Supplies	1,726	7,565
Radio rental	710	3,300
Sundry	<u>2,622</u>	<u>1,454</u>
	<u>\$ 91,948</u>	<u>\$ 119,409</u>

**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>2024</u>	<u>2023</u>
Current	\$ 29,398	\$ 38,093
31 to 60 days	5,538	97,531
61 to 90 days	5,208	4,737
Over 90 days	<u>28,442</u>	<u>31,811</u>
	<u>\$ 68,586</u>	<u>\$ 172,172</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.

(Cont'd)

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2024**

**11. Financial instrument risk management (Cont'd)**

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 and bank indebtedness.

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.

**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. Non-monetary Transactions**

During the year, the Corporation exchanged advertising and the use of facilities for travel, vehicle leasing, inventory and merchandise with various sponsors. These items were mainly measured at the the fair value of the items received as it was determined to be more reliable. Revenue and expenses of \$78,705 related to these non-monetary exchanges have been included in Corporation's financial statements.

**13. Comparative Figures**

Some of the 2023 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, 2024



**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED APRIL 30, 2024**  
**SCHEDULE 1**

	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	Totals	
											2024	2023
<b>Cost</b>												
Opening costs	\$ 10,792,132	\$ 11,158,212	\$ 8,755,681	\$ 348,094	\$ 1,056,118	\$ 954,286	\$ 8,525,936	\$ 263,808	\$ 96,781	\$ 20,524	\$41,971,572	\$40,895,058
Additions during the year	146,983	3,844	45,731	3,314	789,175	50,774	120,697	57,223		38,954	1,256,695	1,079,666
Disposals and write downs								(2,091)		(20,524)	(22,615)	(3,152)
Closing costs	<u>10,939,115</u>	<u>11,162,056</u>	<u>8,801,412</u>	<u>351,408</u>	<u>1,845,293</u>	<u>1,005,060</u>	<u>8,646,633</u>	<u>318,940</u>	<u>96,781</u>	<u>38,954</u>	<u>43,205,652</u>	<u>41,971,572</u>
<b>Accumulated Amortization</b>												
Opening accumulated amortization	10,420,934	7,113,101	8,569,986	255,038	1,014,140	897,299	3,975,629	235,178	96,781	20,524	32,598,610	31,583,210
Amortization	304,567	287,505	22,537	51,758	81,439	21,775	254,553	23,072		6,493	1,053,699	1,018,552
Disposals and write downs								(2,091)		(20,524)	(22,615)	(3,152)
Closing accumulated amortization	<u>10,725,501</u>	<u>7,400,606</u>	<u>8,592,523</u>	<u>306,796</u>	<u>1,095,579</u>	<u>919,074</u>	<u>4,230,182</u>	<u>256,159</u>	<u>96,781</u>	<u>6,493</u>	<u>33,629,694</u>	<u>32,598,610</u>
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 213,614</u>	<u>\$ 3,761,450</u>	<u>\$ 208,889</u>	<u>\$ 44,612</u>	<u>\$ 749,714</u>	<u>\$ 85,986</u>	<u>\$ 4,416,451</u>	<u>\$ 62,781</u>	<u>\$</u>	<u>\$ 32,461</u>	<u>\$ 9,575,958</u>	<u>\$ 9,372,962</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, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
Season passes	\$ 441,888	\$ 399,085
Lift tickets	485,982	593,359
Miscellaneous	93,057	84,065
Locker rental	30,576	31,038
Children's Centre	<u>4,358</u>	<u>13,359</u>
	<u>1,055,861</u>	<u>1,120,906</u>
<b>EXPENDITURES</b>		
Snow making		
Electricity	100,588	91,285
Equipment maintenance	47,604	27,823
Labour services	197	
Maintenance		
Building	89,573	97,010
Slopes	54,745	62,717
Vehicle operating		
Fuel	77,355	90,334
Repairs	53,048	50,849
Labour	717,632	641,917
Insurance	284,130	238,040
Heating and electricity	150,204	153,109
Patrol expenses (Note 10)	91,948	119,409
Lift repairs	74,265	85,152
Supplies	65,447	56,425
Snow clearing	47,500	51,975
Miscellaneous	29,427	45,467
Interest and bank charges	42,147	31,036
Municipal fees	27,826	27,826
Children's centre	5,166	27,669
Communications	9,410	5,083
Uniforms	1,397	3,629
Equipment rental	<u>7,051</u>	<u>784</u>
	<u>1,976,660</u>	<u>1,907,539</u>
<b>DEFICIT FROM OPERATIONS</b>	<u>\$ (920,799)</u>	<u>\$ (786,633)</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, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
Rentals	\$ 141,498	\$ 203,660
Repairs	<u>8,119</u>	<u>11,526</u>
	<u>149,617</u>	<u>215,186</u>
<b>EXPENDITURES</b>		
Labour	41,036	67,637
Interest and bank charges	2,295	3,145
Supplies	<u>1,499</u>	<u>2,192</u>
	<u>44,830</u>	<u>72,974</u>
<b>SURPLUS FROM OPERATIONS</b>	<u>\$ 104,787</u>	<u>\$ 142,212</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, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>	\$ 772,990	\$ 1,395,936
<b>COST OF SALES</b>	<u>362,388</u>	<u>621,625</u>
<b>GROSS PROFIT</b>	<u>410,602</u>	<u>774,311</u>
<b>EXPENDITURES</b>		
Labour	368,605	454,870
Entertainment	126,482	144,219
Supplies	63,359	49,868
Interest and bank charges	14,591	33,629
Miscellaneous	41,191	33,022
Utilities	25,490	13,211
Repairs and maintenance	20,705	11,777
Security	792	4,470
Licenses and fees	<u>950</u>	<u>850</u>
	<u>662,165</u>	<u>745,916</u>
<b>SURPLUS ( DEFICIT) FROM OPERATIONS</b>	\$ <u>(251,563)</u>	\$ <u>28,395</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, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>	\$ <u>156,720</u>	\$ <u>176,304</u>
<b>EXPENDITURES</b>		
Labour	126,389	135,114
Supplies	9,029	11,538
Miscellaneous	4,343	7,495
Krunchers Club		5,564
Communications		
	<u>139,761</u>	<u>159,711</u>
<b>SURPLUS FROM OPERATIONS</b>	\$ <u><u>16,959</u></u>	\$ <u><u>16,593</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, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
Sponsorships	\$	\$ 3,641
Partnership contributions	86,705	50,718
Merchandise	<u>16,880</u>	<u>11,107</u>
	<u>103,585</u>	<u>65,466</u>
<b>EXPENDITURES</b>		
Marketing	139,035	119,587
Labour	27,868	71,015
Partnership contributions	74,677	40,944
Advertising	1,234	16,407
Merchandise	9,311	9,835
Uniforms		2,351
Supplies	2,483	568
Membership fees	591	500
Travel and meetings	1,834	459
Communications	<u>6</u>	<u>28</u>
	<u>257,039</u>	<u>261,694</u>
<b>DEFICIT FROM OPERATIONS - BEFORE MARKETING GRANT</b>	(153,454)	(196,228)
Marketing grant (Note: 9)	<u>125,000</u>	<u>125,000</u>
<b>SURPLUS ( DEFICIT) FROM OPERATIONS</b>	<u>\$ (28,454)</u>	<u>\$ (71,228)</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, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
Occupancy	\$ <u>321,841</u>	\$ <u>490,543</u>
<b>EXPENDITURES</b>		
Heat and light	46,991	32,683
Labour	113,040	89,944
Repairs and maintenance	20,308	57,245
Insurance	37,640	33,062
Interest and bank charges	18,585	22,139
Supplies	9,708	14,865
Communications	4,939	9,180
Cable television	13,374	8,712
Miscellaneous	3,716	2,369
Marketing	<u>325</u>	<u>          </u>
	<u>268,626</u>	<u>270,199</u>
<b>SURPLUS FROM OPERATIONS</b>	\$ <u>53,215</u>	\$ <u>220,344</u>

See accompanying notes to the consolidated financial statements





Chartered Professional Accountants

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

November 15, 2024

Board of Directors  
Marble Mountain Development Corporation  
P.O. Box 947  
Corner Brook, Newfoundland  
A2H 6J2

Dear Board of Directors :

**Re: Audit Findings**

This letter has been prepared to assist you with your review of the financial statements of Marble Mountain Development Corporation for the period ending April 30, 2024.

**Audit Status**

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management; and
2. Obtaining evidence of the Board's approval of the financial statements.

Once these items have been completed, we will date and sign our auditor's report.

**Significant Risks**

There were no significant risks that we identified during the engagement.

**Significant Matters Arising**

***Changes to Audit Plan***

There were no changes to the audit plan as previously provided to you.

***Other Matters***

We identified the following significant matters:

- a. A key internal control in the Corporation's purchase process is to have all cheques signed by two individuals with a review of the supporting documents. Our review of a sample of cheques cleared through the bank account identified three cheques that was only signed by one person. All cheques should be signed by two individuals as per the Corporation's standard procedures.
- b. The Corporation has a Purchasing Policy based on the Public Procurement Act although the Corporation's policy has different limits for calls for bids and purchase documentation. In our capital assets sample, 1 of 13 purchases did not have proper approval in accordance with the Corporation's policy as it was over \$10,000 and purchased without a public call for bids. Also, documentation of bid openings and acceptance letters could not be provided for items that had calls for bids.

The Public Procurement Act requires notification to government as to why a public call for bids was not invited for purchases over \$264,200. This notification was not submitted for 2 of the 2 purchases that was over \$264,200.

In addition, required documentation of three quotes or a fair and reasonable price was not provided for 5 samples. Also, 1 item in our sample had no purchase order and all purchase orders in our samples except 2 did not have prior approval as required by the Corporation's Purchase Order Policy. All policies should be followed by the Corporation's staff.

c. A contract to lease office space to a third party expired in 2017 with no extension or renewal and for another contract audited financial statements were required from the third party but not obtained.

In addition, various contracts were not signed by all parties. Marketing partnership contracts did not have the required signatures for 3 of 5 contracts and none of the employment contracts were signed by all parties. Also, there was no documentation of approval for 2 employees paid an extra weeks pay in lieu of notice. Please ensure current contracts are signed by all parties, enforced and in place to ensure responsibilities are clear.

d. The gross margin on food and beverage operations decreased 2% from last year, and it was less than the usual before covid. In 2023-2024 the gross margin was 53% versus 60% in 2018-2019. Staff indicated the reduction is likely due to staff turnover, price markups, and spoilage. The markups and likely a significant amount of spoilage were not documented and could not be verified. Staff should track and document changes in markups and spoilage.

e. In July 2023, 16 used mountain bikes were purchased by the Corporation. During our inventory count, it was identified that staff had been using the bikes and one bike was missing and has not been found. Controls over all inventory areas need to be improved. All inventory should be stored in a locked room with one person in charge of oversight and access, and all movement in and out of inventory should be logged.

f. There was adequate discussion documented in board minutes regarding the Corporation's capital budget, however, there was not much documentation of discussion or Board approval of the operating budget. Board approval of all budgets should be documented in the minutes before the budget submission to government in October each year.

g. Canadian Public Sector Accounting Standards require financial statements to disclose the gross amounts of revenue and expenses, however, the financial statements for the Corporation disclose net surplus/deficit for divisions. Management and those charged with governance should consider updating the statement presentation to meet current accounting standards.

**Significant Difficulties Encountered**

There were no significant difficulties encountered during our audit.

**Comments on Accounting Practices**

**Accounting Policies**

The significant accounting policies used by the entity are outlined in Note 2 to the financial statements.

- a. There were no significant changes in accounting policies.
- b. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- c. We did not identify any significant accounting policies in controversial or emerging areas.

### ***Significant Accounting Estimates***

The following significant accounting estimates/judgments are contained in the financial statements:

- a. Value of inventory;
- b. Accrued liabilities;
- c. Deferred revenue; and
- d. Book value of capital assets.

Based on audit work performed, we are satisfied with the estimates made by management.

### ***Significant Financial Statement Disclosures***

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

### **Fraud**

We did not identify any fraud or suspected fraud involving management, employees who have significant roles in the entity's system of internal control or others when the fraud resulted in a material misstatement of the financial statements.

### **Significant Deficiencies in Internal Control**

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies, apart from those outlined above.

### **Written Representations**

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards.

### **Other Audit Matters of Governance Interest**

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

4 of 4  
Marble Mountain Development Corporation  
November 15, 2024

This letter was prepared for the sole use of those charged with governance of Marble Mountain Development Corporation to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,



Bonnell Cole Janes  
Chartered Professional Accountants

Acknowledgement of the Board of Directors:

We have read and reviewed the above disclosures and understand and agree with the comments therein:

Signature:  \_\_\_\_\_

Date: Nov 28/24