

Marble Mountain Development
Corporation

2015-2016 ANNUAL REPORT



Business, Tourism, Culture and
Rural Development

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MESSAGE FROM THE CHAIR

On behalf of the Board of Directors, I am pleased to present Marble Mountain Development Corporation's (MMDC) Annual Report for May 1, 2015 to April 30, 2016. The 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 which is accountable for the actual results reported.

MMDC has continued to contribute to the local economy, not only by providing a facility where families can be active and enjoy time together, but also through cooperative partnerships. Marble Mountain Resort has partnered with accommodation, transportation, retail, and activity operators throughout the Province to bring more people to the west coast of Newfoundland, and to support both the public and private business sectors. Through partnerships with youth and non-profit organizations, Marble Mountain Resort has also taken strides to make skiing and snowboarding accessible to as many Newfoundlanders and Labradorians as possible.

In conjunction with hosting a growing number of non-winter events, MMDC has created a base area development plan that aims to ensure the long-term viability of the ski area, as well as grow the facility as a four-season tourism generator. This base area development plan will be implemented over time through strategic investment by the private sector. Through continued strategic investments, focused on safety, reliability and customer satisfaction, MMDC is executing long-term plans to preserve the infrastructure of the facilities for decades to come. While this reporting period had been impacted by a short ski season due to abnormal amounts of rain during February, visitation remained relatively high.

This was due in part to some new events, creative marketing, and the successful launch of the new online store. It is with thanks to the Board of Directors, management, and staff of Marble Mountain Resort that I present this report. My signature below is indicative of the entire Board's accountability for the preparation of this report and the results reported within.

Sincerely,



Robert (Bob) Pike

Chairperson

OVERVIEW

Background

The MMDC is located in Steady Brook, in the Humber Valley Region (HVR) of Western Newfoundland and was established in 1988 to develop the Marble Mountain ski facility into a year-round, full-service resort. The role of Government was to construct the initial critical mass of infrastructure in order to attract private sector investment.

MMDC's current management team consists of five full-time employees (two female and three male) who oversee the year-round operation of the resort. In addition, there are over 150 seasonal employees (53 percent male, 47 percent female). During the ski season, an Outside Operations Manager, Snow School Manager and Ski Patrol Manager are hired. The summer operations of the resort consist of weddings, meetings and conferences, and Marble Zip Tours (MZT), which is run by a third-party operator. The majority of employees of MMDC are from the HVR.

MMDC's audited financial statements for the year ended April 30, 2016 are provided in Appendix C.

Legislation

Legislative authority for the MMDC Board of Directors resides in its formation as a Non-Profit Development Corporation under the *Corporations Act* of Newfoundland and Labrador.

Mandate

The mandate of the MMDC is to serve as a catalyst for tourism development both locally and in the province as a whole. As stated in MMDC's Articles of Incorporation, the mandate of the Board is as follows:

- MMDC shall have marketing as an important priority of its mandate and shall designate a portion of its generated revenues solely to marketing;
- Promote the area as a four-season resort area;
- Actively pursue operators, tenants and/or owners to occupy the lands in the area for the following purposes:
 - Ski facilities
 - Summer activities and attractions
 - Accommodations and services
 - Any other activity consistent with the development of a four-season establishment

Vision

The Vision of MMDC is of a high-quality, safe, and memorable experience for its guests in a world-class, all-season resort area.

Customer service, safety, and reliability are the top priorities at Marble Mountain. Friendly and efficient service ensures that our guests enjoy their visits. The Outside Operations team follows a stringent maintenance plan and the lifts and machinery are regularly inspected to ensure they are in safe running order according to the most up-to-date codes and regulations.

Mission

By the end of this three-year plan, MMDC will have enhanced sustainable visitation and improved its client service performance. In working with such private-public partners as the Western Destination Management Organization (WDMO) and others, it will have sought to promote MMDC as a key tourism destination while maintaining fiscal responsibility and seeking to increase revenues from sources other than alpine skiing. The mission of the MMDC is as follows:

“By April 30, 2017, the Marble Mountain Development Corporation will have sought to enhance sustainable visitation and client service performance.”

Board of Directors

At the end of this reporting period, April 30, 2016 the Board consisted of the following members:

Chairperson	Robert Pike, St. John’s
Vice Chair	Janice Turner, Corner Brook
Members	James Pike, City of Corner Brook
	Stephen May, Member-at-Large
	Carla Hayes, Member-at-Large
	John Davis, Department of Business, Tourism, Culture and Rural Development (BTCRD), GNL
	Laura Walbourne, Member-at-Large
	Donna Thistle, Town of Steady Brook
	Jerry George, Marble Mountain Ski and Ride Club
	Craig Martin, Department of Finance, GNL
	Carmela Murphy, Department of BTCRD, GNL

Lines of Business

Alpine Activities and Services. Downhill skiing and snowboarding are the primary activities at the resort. To enhance the experience, MMDC offers equipment rentals and repairs,

various forms of ski and snowboard instruction, child supervision, ski/snowboard locker rentals, and ski patrol (safety and first aid) services. The resort also hosts a terrain park (an area of the mountain with jumps and rail features) for skill progression and competitions. MMDC creates most of its sponsorship and advertising revenue during the ski and snowboard season through chairlift, digital, and some traditional advertising opportunities.

Meetings, Conferences and Special Events. MMDC plays host to weddings, meetings and conferences throughout the spring, summer and fall. During the winter season, events such as *Marble Cup Alpine Ski Races*, *Jibfest* (a terrain park competition for snowboarders), *Old Sam Day* featuring ski and snowboard races, and *The Race on The Rock* snowmobile races are held to attract new guests and create interest for existing guests. Concerts and other entertainment events are held mostly during winter time as well.

Accommodations. Marble Villa is a 31 room accommodation set with condominium-style suites, which range in size from studios to two-bedroom units. These units are characterized as ski-in/ski-out, meaning that they are situated at the base of the mountain to allow easy access for skiing and snowboarding guests. Marble Villa is air-conditioned and open year-round and is convenient for guests attending weddings, meetings and conferences at the base lodge or as a central point to explore Western Newfoundland.

Food and Beverage. MMDC provides food and beverage services during the ski and snowboard season via the Cookhouse, a cafeteria-style outlet, and the Knotty Pine Lounge, a licensed bar area. MMDC also provides catering services for all special events held at the resort. From June to September, MMDC operates a barbecue on the deck of the base lodge to attract summer visitation. The barbecue serves guests of MZT's zip line and new high ropes course, as well as Marble Villa users and other tourists in the area.

SHARED COMMITMENTS

A new partnered vacation package with Merit Travel was introduced for the 2015-16 winter season. This package combined Marble Mountain products with Merit Travel's access to national airline carriers. As such, these packages are designed to attract guests from out of province, specifically Halifax and Toronto, and increase lengths of stay. Packages started at \$439 per person for four nights.

Marble Mountain Resort once again partnered with PAL Airlines to offer *The Fly and Ski* winter vacation packages 2015-16 ski and snowboard season out of the St. John's market place.

In addition, Marble Mountain Resort continued its partnership with Four Season Tours to offer the resort's first guided snowmobile experience in the Humber Valley. This collaborative effort, which included snowmobile rentals and transportation through MZT, is another step forward in creating the best winter experience for guests.

The latest addition to Marble Mountain's packaging mix was the *Ultimate Adventure Package*, which incorporated three of western Newfoundland's premier winter activities: skiing, snowmobiling, and zip-lining. While all other package offerings pale in comparison to the number of basic *Ski + Stay* package room nights sold, the *Ultimate Adventure Package* proved to be popular among non-resident guests.

HIGHLIGHTS AND ACCOMPLISHMENTS

Key Statistics

After the 2015-16 season closing day on Sunday, April 3rd, Marble Mountain had been open for skiing and snowboarding for a total of 74 days. The historically short season length came due to numerous bouts of rain and mild weather throughout the season, especially in February, which is normally the snowiest and busiest period. The outside operations team was able to salvage the snow left over after the mild weather stretches, and were able to use the stockpiles of snow made at the beginning of the season to ensure that guests were able to ski as much terrain as possible, for as long as possible.

The silver lining is that, despite the short season, visitation remained relatively high. With a total of 63,870 visits through lift tickets and season passes, visitation was greater than the 2014-15 season, even though it was 13 days shorter and had some of the poorest weather and snow conditions in the history of the resort. On a per day basis, visits actually increased significantly to 863/day, about 21.4 percent over last season, and by about 9.4 percent over the 2013-14 season.

The breakdown of visitation is as follows: 47,334 visits from 2,058 season passes (23 visits per pass, average), and 16,536 visits through lift tickets. With total ticket revenue at \$516,829.22, the Effective Ticket Price (ETP) this season was \$31.25, greater than both the 2013-14 and 2014-15 seasons, at \$29.91 and \$25.83, respectively. The rise in ETP is especially significant due to the fact that lift tickets were discounted for the majority of the season due to limited terrain available. The rise in ETP comes in part from better management of complimentary lift tickets, which dropped from 463 units in 2015, to 361 in 2016.

Events

One of the main drivers of Marble Mountain's business is the resort's extensive list of events. Events attract all ages and ability levels, as well as non-skiers. With this in mind,

the 2015-16 season featured a more robust events calendar than any season previous. There was at least one event scheduled for each weekend of the season, some on snow, some entertainment only, and some events that featured a combination of both. Through online, social media, and radio advertising, Marble Mountain was positioned as the hub of winter activity in Newfoundland, with something to offer everyone.

This was the first season for Alpine Canada's new initiative to encourage newcomers to try the sport. The event is called National Ski Day, and it was held at resorts across Canada. Through the facilitation of online ticket sales, Alpine Canada raised money for their organization, and promoted skiing across the country. CIBC was a major sponsor of the event, and had a team onsite to execute different initiatives throughout the day, such as free hot chocolate, and handing out prizes to guests. National Ski Day was scheduled for Saturday January 9th, which happened to be Marble Mountain's first weekend of the season, after opening the day before, on January 8th. Alpine Canada heavily promoted the event at a national level online and through SportCheck, another major sponsor. Overall, the day was a success, and provided some activity and buzz around the resort during opening weekend.

The first ever LGBTQ+ Pride skiing event in Eastern Canada was hosted by Marble Mountain in early February, 2016. Outport Magazine, a locally-based monthly, partnered with the resort on the event, and used the opportunity as the official launch of the publication across Atlantic Canada. Seventeen guests purchased the weekend pass for the event, which was a small but good start in its first year. Additional guests attended the social portions of the event in the Knotty Pine Lounge as well. The event was a success and it will hopefully become an annual event.

On Old Sam Day, February 26th, CBC took their *See You Here* show to Marble Mountain. The goal was to show their audience their activity in the community on a local level across Atlantic Canada. With that in mind, CBC planned a number of activities for kids in the lodge on one of the resort's busiest and local-oriented days of the season. Through their TV and radio personalities, numerous portions of online and television content was created and aired throughout the Province during the event, including coverage of MZT's zip line. CBC was ecstatic about the event, and discussions have already started for doing it again next season.

The *Race on the Rock* snowmobile races, organized in partnership with the Western Sno Riders, was another huge success in 2016. Record numbers of racers and visitors flocked to Marble Mountain Resort on Saturday, April 2nd, after registration for the event was sold out in one day, months in advance of the event date. Though it was unfortunate that significant rain the day before kept the Mountain closed for skiing, the snowmobile races were able to go ahead. The silver lining was that the resort hosted so many people on that

day, it would have been near impossible for skiers, snowboarders, and snowmobilers to all fit in the lodge. Both the Cookhouse and Knotty Pine Lounge experienced their highest grossing days of the season. Due to the massive number of attendants, it was determined that the event is too large to take place during the regular ski season, and so it will be moved to later in April, after closing day.

Marketing

The guiding strategy for marketing planning this season was to focus 20 percent of resources on branding, and 80 percent on tactical measures to achieve the overall strategy of increased skiers visits and revenue. Marble Mountain remained top of mind for winter activity within the Province due to constant and consistent radio, social media, and online advertising, reaching mass audiences weekly. Throughout the season, Marble Mountain Resort advertisements generated 11.4 million impressions online, and maintained far above industry standard click through rates of 14.6 percent (an industry measure of online advertisement effectiveness). MMDC successfully implemented its new online store through ResortSuite, where season passes, lift tickets, gift cards, event tickets, and accommodations and packages could be purchased. The new online store has spurred ideas to further streamline the guest service process and enhance the experience through the potential for an Online Pick-Up kiosk within the resort.

The *Bring a Buddy* promotion that started at Marble Mountain two seasons ago was consistently executed in 2016, selling a total of 792 tickets, compared to 232 units in 2015, an increase of 241 percent. The promotion offered two lift tickets for the price of one on Tuesdays and Wednesdays, to encourage friends to come skiing together during non-peak periods. There was a noticeable rise in mid-week visitation, as the promotion began as soon as the resort was able to sell full-priced lift tickets in late January.

Student Winter Break Pass was introduced during the 2015-16 winter. This multiday product was directed at university students to encourage increased length of stay during Memorial University's (MUN) new week long winter break. This pass was promoted directly within both MUN's campus, St. John's and Corner Brook and through our own social media channels and our screens inside the Lodge. The pass was valid for nine days for one price. Eight units were sold and we did hear from many people that it was a great deal.

Two other promotions to attract guests to non-peak, or "white space", periods of the season were the *Leap Day Deal* and the *Throwback Thursday* promotion. With the purchase of a three day lift ticket leading up to Monday, February 29th, guests could ski on Monday, the leap day, free of charge through the Leap Day Deal. *Throwback Thursday* offered lift ticket pricing from ten years ago on Thursday, March 24th. *Leap Day Deal* was used by one guest, and unfortunately the resort was closed on Throwback Thursday.

Though these promotions were not widely used, they are each a step in the direction of time-sensitive offers, and they provided attractive content to share through advertising media with guests of the resort.

The *Marble Perks* program grew again this season and involved Marble Mountain's newest partners, North Atlantic and Blow Me Down Trails (BMD) cross country ski club in Corner Brook. For five weekends over the winter, Marble Mountain season pass holders could avail of a discount on gas at four participating North Atlantic gas stations in Western Newfoundland. A total of 368 redemptions of the gas discount were recorded for the time period, with escalating numbers each week, which was a good starting point from which to continue the promotion next season. The result was especially good because the discount period fell during the stretch of mild weather that closed the Mountain for days and stifled visitation to the resort, and the region overall. By the end of the season, 32 BMD members used the reciprocal promotion, where guests of each organization received 25 percent off day rates at the other establishment. The promotion ran during the month of March, and the goal is to offer that benefit to both Marble Mountain and BMD pass holders in the years to come.

Through advertising and sponsorship, MMDC was able to generate just over \$64,000 in revenue. New partners this season included North Atlantic, through their gas discount and Slush Cup sponsorship, and Colemans, through their support of the Touton Festival. Though Fireball was not a new sponsor of Marble Mountain Resort, the company shifted its involvement to night riding entertainment, thus *Fireball Friday* was created. New advertising opportunities were created with Subway, who erected signs on the top and bottom lift shacks of the Lightning Express chairlift. After receiving multiple non-alcoholic beverage supplier proposals, Marble Mountain secured another three year agreement with Browning Harvey at the same funding level as the previous contract.

Food and Beverage

Food and Beverage continued to shift focus to a more diverse menu offering to keep in line with what our guest now expects. Capital investments in equipment along with strong partnerships with vendors have resulted in better offerings and the integrated Point of Sale upgrades have allowed more flexibility and reporting. New equipment and products have also improved efficiency of service, lowered wait times, and increased guest satisfaction.

The shift of focus continued into the summer catering business, where a further update of menu, along with investment in small wares and equipment continued the focus shift to doing slightly fewer events better, resulting in greater average revenue per event, and higher guest satisfaction and a better, more consistent style and theme for Marble Mountain Resort in Catering.

The Barbeque continued its five day a week operation in 2015, and was well received by all guests. It was hampered with bad weather resulting in fewer guests during the month of July, but rebounded well in August. Our coupon system with Marble Zip and Marble Villa Guests continued, and we began to see guest loyalty and repeat customers from the previous season.

Catering

The 2015-16 events season, while not as strong as the previous year overall, did produce some strong numbers on an event by event basis. While the resort suffered from three wedding cancellations this past year, and sluggish overall bookings, the average wedding spend increased again. Marble Mountain Resort, since the 2012-13 season, has seen its average per wedding spend rise nearly 163 percent. New deposit and cancellation policies as well as Food and Beverage minimums will protect the resort against future cancellations and ensure profitability with these events.

Marble Mountain Resort is continuing to look to develop additional business and revenues related to multi-day conferences, special events (gala dinners, holiday parties, etc.). New sales materials and menu offerings have been created to complete a sales kit for prospective event organizers. Detailed catering revenue information, in comparison to previous years, can be found in Appendix B.

Snow School

The ten-week youth snow school programs sold out again this season. Once again an information sheet regarding the Krunchers, Riders, and Kids Kamp programs was sent out to approximately 3,000 elementary and junior high school students in October 2015. This was the second year for the program, and it continues to work, as the sheet was quoted numerous times during, and after, the registration period.

This season saw the introduction of a new *Discover Ski/Snowboard* program, the *Discover + Explore* three-day program. The one-day *Discover Ski/Snowboard* lessons have been popular with guests and to encourage repeat visitation this new 3 Day program was introduced. This program is aimed at beginners and included lessons, rental equipment and lessons for all three days and 294 participants took part.

Marble Villa

With record revenue in the months of February and March in 2016, the Marble Villa overcame slow fall and early winter periods with an overall strong annual performance. Despite a much shorter than normal winter season, the Marble Villa emerged with its third best revenue posting in history.

Total revenue at Marble Villa over the 2015-16 fiscal year decreased, only slightly by 1.8 percent over 2014-15, for total revenues of \$401,616. Income, when corrected to reflect \$84,026 in water damages, sat at \$204,791.35, a slight 7.5 percent decrease over last year. Average occupancy decreased a small amount this year due to a slower than desired fall and a quiet December and January, due to a late opening day for the ski season. Occupancy sat at 28.7 percent this year versus the year previously when it grew to 31.2 percent.

The major gain at Marble Villa this year was that the average daily rate (ADR) increased to \$137.26, a major increase of 12.5 percent over the ADR of \$121.96 from the year previous. Over the past two years, the ADR at the Marble Villa has jumped more than \$25 per night. While rack rates did rise slightly this winter, the majority of the increase can be attributed to yield management: keeping rates high when demand is high and adjusting accordingly to maintain adequate yield per room night.

The Marble Villa continued its contribution to lift ticket sales for the resort. In 2016, Marble Villa was responsible for just shy of \$35,000 in lift ticket sales (\$41,000 in 2014-15). While the dollar amount of tickets sold is down, comparable to the rest of the resort, Marble Villa remained consistent, as a percentage, accounting for approximately 8.2 percent of all lift ticket sales across the resort (8.5 percent in 2015-16). The Villa also contributed \$14,200 to MZT in the winter season through the sale of snowmobile rentals and zip tours. This is a marked increase (partially due to the number of days the resort was closed for skiing / riding, when an alternative activity was sought on behalf of guests) over the previous winter where the Villa contributed only \$5,500 in package revenue to MZT. For the entire fiscal year, Marble Villa contributed nearly of \$37,000 in revenue to Marble Zip Tours through package sales, up substantially over the previous year where slightly less than \$30,000 was contributed.

In 2015-16, Marble Villa continued its enhancement of the guest experience. This season, major material and experiential upgrades included:

- New flooring in all guest rooms
- New entertainment stands in each guest room
- New bedroom furnishings (night stands, dressers, and chests)
- Upgraded kitchenware (knife blocks, cutting boards, cookware sets, cutlery, dinnerware sets, glassware sets, etc.)
- Upgraded television programming to Bell Satellite TV
- New lighting fixtures in all rooms (chandeliers in condos, floor lamps and table lamps in all rooms)
- Completed implementation of LED lighting strategy in each guest room to enhance feel and reduce electricity costs

Marble Villa has started asking patrons to publicly review Marble Villa on TripAdvisor. The Marble Villa is now consistently ranked as one of the top accommodations in the area in terms of location, cleanliness, and guest service. The positive reviews and Marble Villa are promoted by TripAdvisor through Google, at no extra cost to the resort.

REPORT ON PERFORMANCE

ISSUE 1: Strengthening Tourism Marketing and Business Development Partnerships

This issue contributes to the continued implementation of the provincial tourism strategy, *Uncommon Potential: A Vision for Newfoundland and Labrador Tourism*. In strengthening tourism marketing and business development partnerships, the resources of the province and the tourism industry are combined. These efforts are also linked to more coordinated and aligned tourism marketing of Marble Mountain as a multi-season tourism destination. Leveraging these public-private resources to market and develop the destination will result in increased spending, tax dollars, jobs, and investment throughout the province.

Goal

By April 30, 2017, MMDC will have achieved a coordinated and effective partnership with tourism industry partners in the region that maximizes promotion and development of MMDC.

Objective 2015-16

By April 30, 2016, MMDC will have taken steps to implement the 3 year marketing plan.

Measure

Steps taken to implement a 3 year marketing plan.

Indicator 1: Three-year marketing plan finalized and shared with partners.

- Met with HVR tourism operators in April, 2015 to gain insight on their goals.
- Phone calls between m5 Marketing and Communications and HVR partners to discuss details further occurred over the summer months of 2015.
- MMDC and m5 Marketing Communications created and finalized the three-year HVR Partnership Strategy in October, 2015.
- MMDC finalized its three-year marketing plan and shared it with partners via email through the marketing agency m5.
- The Partnership strategy shared with HVR partners in November, 2015.

Indicator 2: Participating partners selected option(s) that worked best for their business.

- Participating partner, PAL Airlines, formerly known as Provincial Airlines, opted for a *Fly&Ski* package partnership option with Marble Mountain Resort.
- No other partners decided to participate in the three year strategy that was presented.

Indicator 3: Executed year one marketing tactics of the three-year plan

The following year one marketing tactics of the three-year plan were executed:

- PAL Airlines was cooperatively promoted through various media once packages were confirmed.
- PAL Airlines *Fly&Ski* packages were promoted and reserved online through skimarble.com.

Discussion of Results

After two meeting sessions, one in each of May and August, 2015, MMDC carefully worked with m5 Marketing Communications to build a cooperative marketing strategy that included tourism operators in the HVR. The plan had two tactics for year one: a plan for other hoteliers and vacation package companies in the region to take part in a *Fly, Ski, and Stay* package option with Marble Mountain Resort and PAL Airlines; as well as a cooperative packaging and accommodation advertising plan for Marble Mountain's website, skimarble.com.

The plan was presented to operators in the HVR in November, 2015, with a request that organizations express their interest in participation by November 20th. The only partner who came onboard was Provincial Airlines, now known as PAL Airlines, to offer *Fly&Ski* packages, without the promotion of any accommodations, as was done in the past with *Fly, Ski & Stay*. Without the participation of other members in the skimarble.com advertising strategy, the changes that needed to be made to the website to enable paid advertisements were not feasible. For that reason, the second tactic in the plan did not come to fruition.

With PAL Airlines on board, once the package details were finalized in January, the packages were launched. They were promoted in St. John's on both PAL's billboard at the airport, as well as electronic billboards around the city. In addition, a large amount of online, social media, and radio advertising was committed to the packages. The imagery created by m5 was in heavy rotation on the electronic screens at Marble Mountain as well. Due in part to the lackluster weather, Steady Brook endured this season, thirteen packages were reserved online through skimarble.com.

Objective 2016-17: By April 30, 2017, MMDC will have implemented the three year marketing plan.

Measure: Three year plan implemented

Indicators:

- Executed co-operative marketing efforts
- Made efforts to diversify partnerships with transportation, accommodation and experience operators
- Completed survey of Humber Valley Region operators to determine any changes in interest levels or desired tactics

ISSUE 2: Developing and Enhancing Products and Experience

The development and enhancement of new attractions and services provide visitors of Marble Mountain with more options on the west coast of the Province, and help complete MMDC and the Humber Valley region as a sought-after tourism destination. This work aligns with *Uncommon Potential: A Vision for Newfoundland and Labrador Tourism* to deliver strategic and sustainable tourism experiences. Toward this goal, MMDC is committed to creating long-lasting partnerships with receptive industry players to benefit provincial tourism, as well as better serve resident and out of province visitors. The addition of new attractions and services provide visitors with more options and will contribute to MMDC's mandate of becoming a four-season resort.

Goal

By April 30, 2017, the MMDC will have completed a comprehensive base area Master Plan and Development Strategy and private-sector investment will be sought to further develop the four-season resort.

Objective 2015-16

By April 30, 2016, MMDC will have identified recommended business development priorities.

Measure

Business development priorities identified and recommended.

Indicator 1: Input received from current Marble Mountain Resort stakeholders, including the general public, on business development opportunities based on master plan and development strategy.

- The MMDC Master Plan and Development Strategy was shared with the Board, stakeholders, and local businesses through meetings with the board (at regular board meetings) and meetings with stakeholders/local businesses.
- Stakeholders were encouraged to provide input and feedback during presentations as well as after the fact, however none was formally provided.

Indicator 2: Development opportunities shared via public expressions of interest

- Published an expression of interest for new activities on MMDC property.
- Bob Pike did an interview with a local newspaper in January 2016 where he outlined the next steps.

Discussion of Results

The Base Area Master Plan identifies zones for further summer, winter, and/or year round sports and recreation activities that would enhance the guest experience at Marble Mountain Resort. MMDC did publish an expression of interest seeking proposals from interested parties in the private sector to build and operate such recreational activities however no proposals came forward.

In addition to seeking activity operators MMDC did receive interest from private sector parties to build a fishing retail outlet, accommodations and a microbrewery. Although MMDC was not in a position to act on these at the time it does prove there is interest in the market place for further development of base area at Marble Mountain Resort.

Objective 2016-17: By April 30, 2017, MMDC will have initiated private sector investment on recommended priority business development opportunities to further develop the four-season resort.

Measure: Private sector investment on recommended priority business development opportunities initiated.

Indicators:

- Worked with BTCRD to initiate a transfer of land situated at the base of Marble Mountain to facilitate private sector investment
- Initiated an RFP process to seek private sector investment interest
- Worked with interested private sector investors for development of business opportunities at the base of Marble Mountain

OPPORTUNITIES AND CHALLENGES

The greatest opportunities and challenges for Marble Mountain Resort in 2016-17 and beyond are private sector investment, increasing group visitation, and providing accessible and affordable transportation options.

Opportunity for private sector investment through the newly created resort Master Plan and Development Strategy will not only provide extra revenue and increased cash flow for the resort, it will also support the creation of more attractions, adding to the overall Marble Mountain experience. Such investment will permit MMDC to build and offer more services and activities to its guests, beyond simply building upon existing business units.

The development of additional non-skiing attractions, such as restaurants or a spa, and the provision of additional activities, such as tubing, ice skating, shopping; and accommodation development, would boost the resort's abilities, and round out the Marble Mountain Resort experience. The challenge of expanding year-round attractions through private sector investment provides the opportunity to sell the resort as an all-around vacation destination. To accomplish this, Marble Mountain Resort will need to focus on improving its current lines of business, and not creating new ones. With the current development strategy from EcoSign, these opportunities are becoming closer to reality.

Group visitation in the form of ski clubs, or other user groups can mean the difference between a profitable season and an unprofitable one. Though there are ski clubs and or other like-minded groups all over Canada, the challenge is to attract more of these groups. Attracting group visitation during the ski season strongly benefits all business units of the resort, and is relatively easy to manage. Potential user groups also include school groups from within the Province. In recognition of the opportunity to promote health benefits to school-aged children, it is one of the goals of the resort is to work with schools to include skiing and snowboarding in their programming.

A significant challenge for Marble Mountain Resort is transportation. Most ski resorts are not normally within a 30 minute drive of an inter-provincial airport, but Marble Mountain is. Despite this advantage, the price of intra-provincial air travel remains a barrier for most. Though these costs have decreased due to competition among carriers, MMDC has partnered with PAL Airlines to offer reduced airfare for skiers from St. John's through the *Fly and Ski* package. A great value, the challenge will be to provide it with greater exposure in the marketplace. With increased air access from Toronto and Halifax coming in 2017, Marble Mountain becomes more accessible for out-of-province ski clubs and groups.

Finally, the biggest challenges that MMDC faces are weather and increasing costs. It is easy for first time visitors of the resort to be turned off if they have a bad experience due to weather, and that is in part because of the biggest barrier of all: cost. Skiing and snowboarding are relatively expensive activities to be involved in to begin with, even if one does not have to travel a great distance to take part. The local marketplace, though precious, is shrinking, and can only provide so much revenue for the resort. MMDC relies heavily on out of town business to provide revenue for all business units, and those visits can and regularly are so easily affected by adverse weather.

Cost is not only an issue for guests, but also for operations. The cost of fuel greatly affects all aspects of Marble Mountain, including snow making, grooming, and chairlift operation. As MMDC is hyper-sensitive to cost increases, this unfortunately means that at some point, those costs need to be shared with guests, which is why Marble Mountain needs to focus on creating more value for each dollar spent, rather than decreasing price.

APPENDIX A: VISITOR STATISTICS

Historical Overview of Selected Key Indicators 2012-13 to 2015-16

Indicator	2012-13	2013-14	Annual Percent ⁴	2014-15	Annual Percent ⁴	2015-16	Annual Percent ⁴
Skier Visits ¹	66,069	67,078	+1.5	61,931	-7.7	63,870	+3.1
Ski Days ²	83	85	+2.4	87	+2.4	74	-14.9
Average Per Ski Day ³	796	789	+0.9	712	-9.8	863	+21.2

¹ A *skier visit* is an industry term used to denote one visit by a guest. A couple visiting Marble Mountain for one day would be two skier visits. Total skier visits are calculated by adding day pass sales to visits from season passes.

² A *ski day* is an industry term to denote the number of days that Marble Mountain was open for guests to ski.

³ Average per ski day is the number of skier visits divided by the number of ski days open

⁴ Annual Percent is the Increase (+) or Decrease (-) compared to the previous year.

Start Dates: 2012-13: December 31st; 2013-14: December 26th; 2014-15: January 9th; 2015-16: January 8th

Detailed Statistics 2012-13 to 2015-16

	2012-13	2013-14	Percent Change	2014-15	Percent Change	2015-16	Percent Change
Season Passes	1,940	2,060	6.2	1,872	-9.1	2058	+9.9
Day Lift Tickets	21,449	19,968	-8.2	18,875	-5.8	16,536	-12.4
Total Skier Visits	66,069	67,078	+1.5	61,931	-7.8	63,870	+3.1

*Total skier visits are calculated by adding day pass sales to visits from season passes. Season pass visitation at Marble Mountain is calculated by multiplying the number of season passes sold by 23. This is the average visits per season pass. This figure was derived by surveying season pass holders.

Season Pass Sales

	2012-13	Percent of Total	2013-14	Percent of Total	2014-15	Percent of Total	2015-16	Percent of Total
Student	440	22.7	166*	8.1*	133*	7.1*	102	4.9
Senior	46	2.4	70	3.4	66	3.5	68	3.3
Family	654	33.7	821	39.9	646	34.5	815	39.6
Adult	411	21.2	442	21.5	367	19.6	429	20.8
Youth	349	18	526	25.7	493	26.3	291	14.1
Child							160	7.7
Under 5	40	2	30	1.5	44	2.4	78	3.8
80+/Comp/Staff	N/A	N/A	N/A	N/A	123	6.6	115	5.6
Total	1,940		2,060		1,872		2058	

*The significant decrease in student season passes can most likely be attributed to families purchasing season passes with at least one student-aged family member. In the future, there will be a separate product and cost for adding a student to a family pass. This will provide a better illustration of the number of students purchasing season passes.

APPENDIX B: CATERING STATISTICS

	2012-13	2013-14	2014-15	2015-16
# of Weddings	10	18	20	13*
# of Events	12	14	13	13*
Grand Total All Events	22	32	33	26*
Revenues Weddings	\$40,156.99	\$138,694	\$199,086.10	\$137,476.63
Revenues Events	\$100,527.36	\$86,432	\$90,654.57	\$76,781.64
Grand Total All Revenues from Above	\$140,684.35	\$225,126	\$289,761.02	\$214,258.27

*1 event, 1 conference and 2 Christmas Party Events were held in December of 2015 and January of 2016 which, while not directly tied to ski season, are included in general ski season revenue.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

**Financial Statements
For the Year Ended April 30, 2016**

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Financial Statements

For the Year Ended April 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the General Manager and Board of Directors
MARBLE MOUNTAIN DEVELOPMENT CORPORATION

We have audited the accompanying consolidated financial statements of Marble Mountain Development Corporation, which comprise the consolidated statement of financial position as at April 30, 2015 and the consolidated statements of operations, change in net financial asset (net debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Marble Mountain Development Corporation as of April 30, 2015 and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

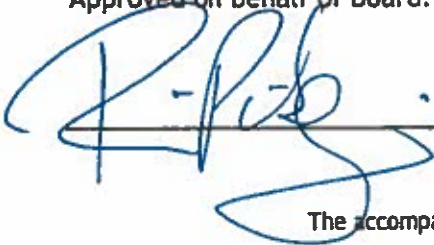
Corner Brook, NL
June 24, 2015

BDO Canada LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
As at April 30, 2016

	2016	2015 Restated (Note 2)
FINANCIAL ASSETS		
Cash	\$ 3,000	3,000
Accounts receivable	106,337	240,728
	<u>109,337</u>	<u>243,728</u>
LIABILITIES		
Bank indebtedness (Note 3)	1,443,453	1,236,761
Accounts payable and accrued liabilities	377,804	658,272
Deferred revenue	34,855	22,315
Long-term debt (Note 4)	-	300,000
Obligations under capital lease (Note 5)	469,055	170,672
	<u>2,325,167</u>	<u>2,388,020</u>
NET DEBT	<u>(2,215,830)</u>	<u>(2,144,292)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	15,532,547	16,065,473
Inventories held for use	37,530	26,139
Prepaid expenses	78,056	19,911
	<u>15,648,133</u>	<u>16,111,523</u>
ACCUMULATED SURPLUS	<u>\$ 13,432,303</u>	<u>\$ 13,967,231</u>

Approved on behalf of Board:




The accompanying notes are an integral part of these financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF OPERATIONS
Year Ended April 30, 2016

	Budget (Note 8)	2016	2015 Restated (Note 2)
REVENUES			
Lift operations (Schedule 2)	\$ (519,443)	\$ (281,993)	\$ (389,916)
Repair shop (Schedule 3)	29,340	31,726	30,511
Rental (Schedule 4)	134,422	115,793	135,110
Food and beverages (Schedule 5)	148,871	115,893	153,170
Ski school (Schedule 6)	26,397	12,874	29,334
Marketing (Schedule 7)	(59,691)	(48,793)	(54,898)
Marble villa (Schedule 8)	222,777	201,941	221,008
Government transfers (Note 6)	390,000	756,400	840,000
	<u>372,673</u>	<u>903,841</u>	<u>964,319</u>
EXPENSES			
Administration	24,141	28,557	28,846
Bad debts	-	452	931
Communications	14,705	13,758	14,703
Donations	-	5,195	9,401
Interest and bank charges	1,651	970	1,652
Interest on short-term debt	42,064	45,333	33,182
Interest on capital leases obligations	-	10,121	11,937
Labour	215,756	194,467	210,173
Miscellaneous	57,897	5,790	3,052
Professional fees	10,000	4,211	12,906
Travel and conference	6,459	10,092	11,655
	<u>372,673</u>	<u>318,946</u>	<u>338,438</u>
Amortization of tangible capital assets	-	1,471,166	1,332,643
Amortization of uniforms	-	9,261	9,261
	<u>-</u>	<u>1,480,427</u>	<u>1,341,904</u>
	<u>372,673</u>	<u>1,799,373</u>	<u>1,680,342</u>
EXCESS OF EXPENSES OVER REVENUE			
- BEFORE OTHER	-	(895,532)	(716,023)
OTHER:			
Forgivable loan (Note 6)	-	300,000	-
Gain (loss) on disposal of tangible capital assets	-	19,182	(879,048)
Government transfers - capital (Note 6)	-	-	3,160,872
Insurance proceeds	-	125,449	1,200,000
Marble Villa water maintenance	-	(84,027)	-
	<u>-</u>	<u>360,604</u>	<u>3,481,824</u>
ANNUAL SURPLUS (DEFICIT)	-	(534,928)	2,765,801
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
AS PREVIOUSLY REPORTED	-	14,297,693	11,201,430
PRIOR PERIOD ADJUSTMENT (NOTE 2)	-	(330,462)	-
AS RESTATED	<u>-</u>	<u>13,967,231</u>	<u>11,201,430</u>
ACCUMULATED SURPLUS, END OF YEAR, AS RESTATED			
(NOTE 2)	<u>\$ -</u>	<u>\$ 13,432,303</u>	<u>\$ 13,967,231</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF CHANGE IN NET DEBT
Year Ended April 30, 2016

	2016	2015 Restated (Note 2)
ANNUAL SURPLUS (DEFICIT)	\$ (534,928)	\$ 2,765,801
Acquisition of tangible capital assets	(967,186)	(4,845,775)
Amortization of tangible capital assets	1,471,166	1,332,643
Loss (gain) on disposal of capital assets	(19,182)	879,048
Proceeds on disposal of tangible capital assets	31,195	4,213
Disposal of asset under capital lease	16,933	-
Decrease (increase) in prepaid expenses	(58,145)	8,312
Increase in inventories held for use	(11,391)	(26,139)
	463,390	(2,647,698)
CHANGE IN NET FINANCIAL ASSETS	(71,538)	118,103
NET DEBT, BEGINNING OF YEAR	(2,144,292)	(2,262,395)
NET DEBT, END OF YEAR	\$ (2,215,830)	\$ (2,144,292)

The accompanying notes are an integral part of these financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOW
Year Ended April 30, 2016

	2016	2015 Restated (Note 2)
OPERATING ACTIVITIES		
Annual surplus	\$ (534,928)	\$ 2,765,801
Items not affecting cash		
Amortization of tangible assets	1,471,166	1,332,643
Amortization of uniforms	9,261	9,261
Loss (gain) on disposal of capital assets	(19,182)	879,048
Forgiveness of long-term debt	(300,000)	-
Changes in non-cash items		
Accounts receivable	134,391	(187,872)
Accounts payable and accrued liabilities	(280,468)	459,886
Deferred revenue	12,540	816
Prepaid expenses	(67,406)	(949)
Inventory	(11,391)	10,998
	413,983	5,269,632
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	(544,264)	(4,845,775)
Proceeds on disposal of tangible capital assets	7,195	4,213
	(537,069)	(4,841,562)
FINANCING ACTIVITIES		
Repayment of obligations under capital lease	(83,606)	(65,116)
	(83,606)	(65,116)
INCREASE (DECREASE) IN CASH POSITION	(206,692)	362,954
CASH AND CASH EQUIVALENTS DEFICIENCY, BEGINNING OF YEAR	(1,233,761)	(1,596,715)
CASH AND CASH EQUIVALENTS DEFICIENCY, END OF YEAR	\$ (1,440,453)	\$ (1,233,761)
REPRESENTED BY		
Cash	\$ 3,000	\$ 3,000
Bank indebtedness	(1,443,453)	(1,236,761)
	\$ (1,440,453)	\$ (1,233,761)

The accompanying notes are an integral part of these financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2016

1. Significant accounting policies

a) Management's responsibility for the financial statements

The financial statements of the Organization are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards. Marble Mountain Development Corporation ("the Organization") 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 for income taxes, provided certain requirements of the Income Tax Act are met.

b) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in first-out basis based on supplier invoiced cost.

c) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to the acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Area Improvements	30 years
Buildings	15-40 years
Computer Equipment	3 years
Equipment under Capital Lease	10 years
Furniture and fixtures	5 years
Lifts	30 years
Rental Equipment	3 years
Signs	5 years
Vehicles	3-20 years

d) Revenue recognition

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2016

1. Significant accounting policies (continued)

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) Leased assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Organization, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.

g) Financial instruments

Cash quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt 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.

l) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2016

2. Prior period adjustment

During the financial audit for the year ending April 30, 2016, the Organization determined that the incorrect tangible capital asset was reported disposed of for the year ended April 30, 2015. As a result, tangible capital assets and ending accumulated surplus were overstated by \$ 330,462. This error has been corrected retroactively with restatement of prior year. This correction had the following effect on the financial statements.

	Previously Reported	Increase/ (Decrease)	Restated
Tangible capital asset	\$ 16,395,935	\$ (330,462)	\$ 16,065,473
Loss on disposal of tangible capital asset	526,122	352,926	879,048
Amortization of tangible capital assets	1,355,107	(22,464)	1,332,643
Accumulated surplus	14,297,693	(330,462)	13,967,231

3. Bank indebtedness

The line of credit is authorized in the amount of \$2,087,000 and bears interest at the bank's prime rate. It is secured by a Provincial Government guarantee and letter of indemnity and overdraft agreement signed by the Board of Directors

4. Long-term debt

	2016	2015
Department of Innovation, Rural Development and Trade, forgiven during the year.	\$ -	\$ 300,000
Current portion of long-term debt	-	300,000
Long-term debt	\$ -	\$ -

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2016

5. Obligations under capital lease

	2016	2015
National Leasing lease bearing interest at 5.65% per annum, repayable in monthly blended payments of \$4,960. The lease matures on January 1, 2017 and is secured by a charge over specific equipment.	\$ 93,040	\$ 145,675
National Leasing lease bearing interest at 0% per annum, repayable in monthly blended payments of \$6,399. The lease matures on July 1, 2020 and is secured by a charge over specific equipment.	324,202	-
National Leasing lease bearing interest at 0% per annum, repayable in monthly payments of \$1,685. The lease matures on October 1, 2018 and is secured by a charge over specific equipment.	51,813	-
National Leasing lease terminated during the year.	-	24,997
	\$ 469,055	\$ 170,672

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

2017	\$ 193,048
2018	100,009
2019	91,168
2020	79,791
2021	17,038

The Organization has purchase options for all capital leases.

6. Government transfers

	2016	2015
Provincial administrative operating grant	\$ 306,400	\$ 390,000
Capital grants	450,000	450,000
	756,400	840,000
Government transfers - capital	-	3,160,872
Forgivable loan	300,000	-
Provincial marketing grant (Schedule 7)	175,000	175,000
	\$ 1,231,400	\$ 4,175,872

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2016

7. Patrol operating expenses

	<u>2016</u>	<u>2015</u>
Labour	\$ 71,147	\$ 75,372
Supplies	7,418	15,416
Telephone	790	557
Radio Rental	640	2,200
Sundry	2,477	1,920
	<u>\$ 82,472</u>	<u>\$ 95,465</u>

8. Budget

A reconciliation of the 2016 fiscal budget prepared by the Board of Directors figures disclosed in the financial statements is as follows:

	<u>2016</u>
Marble Mountain Development Corporation budgeted annual deficit	\$ (44,176)
Add: line of credit principal repayment in administration budget	44,176
	<u>\$ -</u>

9. Financial instrument risk management

The organization is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. 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 of these risks is presented below and throughout these financial statements.

Credit risk

The organization's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as presented on the statement of financial position.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2016

9. Financial instrument risk management (continued)

At year end, the amounts outstanding for the organization's accounts receivable are as follows:

	2016			2015		
	Accounts receivable	Less: impairment allowance	Total	Accounts receivable	Less: impairment allowance	Total
Current	\$ 40,641	\$ -	\$ 40,641	\$ 213,776	\$ -	\$ 213,776
31 to						
60 days	26,919	-	26,919	4,121	-	4,121
61 to						
90 days	8,175	-	8,175	12,188	-	12,188
Over 90						
days	30,602	-	30,602	10,643	-	10,643
	<u>\$ 106,337</u>	<u>\$ -</u>	<u>\$ 106,337</u>	<u>\$ 240,728</u>	<u>\$ -</u>	<u>\$ 240,728</u>

At year end, management has determined the credit quality of accounts receivable that are not past due nor impaired, as illustrated in the above table.

There have not been any changes from the prior year in the organization's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk through its accounts payable.

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended April 30, 2016

9. Financial instrument risk management (continued)

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	2016			
	Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable	\$ 377,804	\$ -	\$ -	\$ -

	2015			
	Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable	\$ 658,272	\$ -	\$ -	\$ -

There have not been any changes from the prior year in the organization's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk through its short-term debt.

There have not been any changes from the prior year in the organization's exposure to interest rate risk or the policies, procedures and methods it uses to manage and measure the risk.

10. Comparative figures

Certain of the 2015 figures presented for the comparative purposes have been restated to conform with the financial statement presentation adopted in the current year.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended April 30, 2016

(Schedule 1)

Cost	Area Improvements	Buildings	Computer Equipment	Equipment Under Capital Lease	Furniture and Fixtures	Lifts	Rental Equipment	Signs	Vehicles	Totals	
										2016	2015 Restated (Note 2)
Opening costs	\$ 10,757,200	\$ 10,720,947	\$ 166,333	\$ 657,057	\$ 826,661	\$ 7,470,807	\$ 145,100	\$ 96,782	\$ 8,374,483	\$ 39,215,370	\$ 36,672,333
Additions during the year	-	132,677	-	419,922	23,452	-	15,898	-	375,237	967,186	4,845,775
Disposals and write downs	-	-	-	(40,257)	-	-	-	-	(365,938)	(406,195)	(2,302,738)
Closing costs	10,757,200	10,853,624	166,333	1,036,722	850,113	7,470,807	160,998	96,782	8,383,782	39,776,361	39,215,370
Accumulated Amortization											
Opening accu'd amortization	7,546,772	4,920,689	111,608	416,009	811,908	2,112,385	123,062	96,782	7,010,681	23,149,896	23,236,731
Amortization	358,575	269,683	54,725	74,900	27,667	243,957	27,091	-	414,568	1,471,166	1,332,643
Disposals and write downs	-	-	-	(20,129)	-	-	-	-	(357,119)	(377,248)	(1,419,477)
Closing accu'd amortization	7,905,347	5,190,372	166,333	470,780	839,575	2,356,342	150,153	96,782	7,068,130	24,243,814	23,149,897
Net Book Value of Tangible Capital Assets	\$ 2,851,853	\$ 5,663,252	\$ -	\$ 565,942	\$ 10,538	\$ 5,114,465	\$ 10,845	\$ -	\$ 1,315,652	\$ 15,532,547	\$ 16,065,473

The accompanying notes are an integral part of these financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF LIFT OPERATIONS
Year Ended April 30, 2016

(Schedule 2)

	2016	2015
Revenue		
Lift ticket revenue	\$ 518,506	\$ 515,335
Season pass revenue	590,065	501,418
Children center revenue	8,591	8,387
Miscellaneous revenue	59,338	59,556
	<u>1,176,500</u>	<u>1,084,696</u>
Expenditures		
Children's center	13,022	14,393
Communications	10,739	8,657
Management contract	103,600	86,800
Equipment rental	3,411	12,582
Heating and electricity	128,189	128,769
Insurance	97,436	92,489
Interest and bank charges	33,372	41,259
Labour	406,034	460,986
Lift repairs	31,792	31,097
Maintenance		
Building	61,742	55,373
Slopes	69,909	69,904
Miscellaneous	42,956	36,143
Municipal fees	24,000	24,000
Security	299	540
Patrol expenses (Note 7)	82,472	95,465
Snow clearing	30,240	33,360
Snowmaking		
Electricity	81,534	70,312
Labour	39,862	30,715
Equipment maintenance	52,739	53,339
Supplies	38,942	27,777
Vehicle operating		
Repairs	57,112	42,809
Fuel	42,515	50,505
Uniforms	6,576	7,338
	<u>1,458,493</u>	<u>1,474,612</u>
Deficit from operations	<u>\$ (281,993)</u>	<u>\$ (389,916)</u>

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF REPAIR SHOP OPERATIONS
Year Ended April 30, 2016

(Schedule 3)

	<u>2016</u>	<u>2015</u>
Revenue	\$ 51,889	\$ 50,593
Expenditures		
Labour	19,129	19,312
Supplies	1,034	770
	<u>20,163</u>	<u>20,082</u>
Income from operations	\$ 31,726	\$ 30,511

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF RENTAL OPERATIONS
Year Ended April 30, 2016

(Schedule 4)

	<u>2016</u>	<u>2015</u>
Revenue	\$ 160,521	\$ 184,022
Expenditures		
Communications	520	-
Labour	40,502	48,607
Interest and bank charges	2,643	-
Supplies	1,063	305
	<u>44,728</u>	<u>48,912</u>
Income from operations	\$ 115,793	\$ 135,110

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF FOOD AND BEVERAGE OPERATIONS
Year Ended April 30, 2016

(Schedule 5)

	2016	2015
Revenue	\$ 743,726	\$ 782,454
Cost of sales	315,337	317,405
Gross profit	428,389	465,049
Expenditures		
Communications	1,374	1,353
Entertainment	7,434	6,741
Interest and bank charges	6,392	3,633
Labour	234,534	243,196
Licenses and fees	800	920
Miscellaneous	23,848	16,004
Repairs and maintenance	7,773	14,122
Security	536	4,985
Supplies	28,070	19,578
Utilities	1,735	1,347
	312,496	311,879
Income from operations	\$ 115,893	\$ 153,170

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF SKI SCHOOL OPERATIONS
Year Ended April 30, 2016

(Schedule 6)

	<u>2016</u>	<u>2015</u>
Revenue	\$ 124,552	\$ 138,203
Expenditures		
Communications	798	566
Krunchers club	6,375	4,831
Labour	99,706	99,316
Miscellaneous	1,072	1,148
Supplies	2,350	1,862
Training	519	1,004
Uniforms	858	142
	<u>111,678</u>	<u>108,869</u>
Income from operations	\$ 12,874	\$ 29,334

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF MARKETING OPERATIONS
Year Ended April 30, 2016

(Schedule 7)

	2016	2015
Revenue		
Sponsorships	\$ 29,500	\$ 39,842
Marketing revenue - advertising	34,520	22,177
Marketing grant (Note 6)	175,000	175,000
	239,020	237,019
Expenditures		
Advertising		
Partnership contributions	1,085	1,297
Print	-	3,717
Communications	3,446	3,381
Labour	82,671	92,058
Marketing agency	175,923	169,832
Membership fees	2,157	3,142
Office and postage	6,349	2,512
Ski shows and familiarization tours	4,296	6,647
Supplies	11,668	7,369
Travel and meetings	218	894
Uniforms	-	1,068
	287,813	291,917
Deficit from operations	\$ (48,793)	\$ (54,898)

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

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF MARBLE VILLA OPERATIONS
Year Ended April 30, 2016

(Schedule 8)

	2016	2015
Revenue	\$ 399,246	\$ 408,247
Expenditures		
Cable television	8,003	5,769
Communications	6,392	8,487
Heat and light	36,154	38,835
Labour	76,917	77,164
Insurance	6,116	5,606
Interest and bank charges	14,653	10,530
Laundry	87	-
Marketing	3,987	3,035
Miscellaneous	4,304	1,470
Repairs and maintenance	20,703	20,670
Supplies	19,989	15,673
	197,305	187,239
Income from operations	\$ 201,941	\$ 221,008

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