

marble
mountain
development
corporation



ANNUAL REPORT
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CHAIRPERSON'S MESSAGE

The Message from the Chairperson in the 2008-2011 Business Plan submitted for Marble Mountain Development opened by stating:

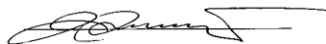
*Marble Mountain Development Corporation (MMDC) is committed to:
(i) improving its financial position, (ii) providing a quality product, and
(iii) maintaining and enhancing the overall experience of its guests who
utilize the resort's facilities and services.*

As we present the Annual Report for 2009-10, the Board remains steadfastly committed to these outcomes and continues to provide direction in pursuit of these goals. We are dedicated to fulfilling our mandate to develop the Resort into a four-season anchor attraction that can serve as a catalyst for tourism development in the Humber Valley, and the province as a whole.

Due to challenging snow conditions, this season was Marble Mountain's shortest in the past decade. We opened January 2, 2010 and closed on April 11, Easter Sunday. With the aid of our recently increased capacity of our snowmaking system, our Outside Operations crew maintained fantastic snow conditions for a season with a decrease in skier visits of only 6 per cent from the 2008-09 season.

This fiscal year ends with a change in leadership for the staff of Marble Mountain, and I wish to thank our retiring General Manager for her significant role in implementing the mandate of MMDC and in the success of the operation during the past seven years. Certainly, thanks are extended to all members of management, staff and the Board of Directors for their work and dedication throughout 2009-10.

The 2009-10 annual report for the Marble Mountain Development Corporation is submitted in accordance with the Government of Newfoundland and Labrador's commitment to accountability and transparency. My signature is indicative of the entire Board's accountability for the preparation of this report and the results reported herein.



Jamie Schwartz, Chairperson

1.0 MARBLE MOUNTAIN DEVELOPMENT CORPORATION: OVERVIEW

Marble Mountain Resort is located near Steady Brook, in the Humber Valley in Western Newfoundland. The Marble Mountain Development Corporation (MMDC) was established in 1988 to develop the Marble Mountain ski facility into a year-round, full-service resort. Its mandate was to develop the resort into a four-season attraction that would act as a catalyst for tourism development both locally and in the province as a whole. Government's role was to construct the initial critical mass infrastructure to attract private sector investment.

In 1995, the base lodge was constructed and the detachable high-speed quad chair lift was installed. In 1999, just prior to the Canada Winter Games, Marble Villa, the resort's condominium-style hotel was opened. MarbleZip Tours, a private tourism development, began operations in 2008 at the base area of the resort.

MMDC's management team normally consists of four full-time managers who oversee the year-round operation of the resort. During the ski season, an Outside Operations Manager, Snow School Director and Ski Patrol Manager are hired (*see Appendix A for the current MMDC organizational chart*). In 2009-10, the management team was comprised of three females and one male with one additional male and two additional males joining the team for the ski season. Approximately 140 employees are required to operate the ski resort during the busiest months of the season and the gender breakdown is 60 per cent male and 40 per cent female. The summer operation consists of weddings, meetings and conferences with Marble Mountain's Food and Beverage and Marble Villa staff hired for these events. A typical summer event requires between 10 and 15 employees with 90 per cent of summer event staff being female and 10 per cent being male. The majority of employees of Marble Mountain Development Corporation are from the Humber Valley region.

The 2009-10 MMDC Board of Directors consisted of eleven directors (see Appendix A). They represent the Marble Mountain Ski and Ride Club, the City of Corner Brook, the Town of Steady Brook, the Government of Newfoundland and Labrador and, where feasible, tourism-related organizations. The Board's structure has been established according to the MMDC by-laws and the Board reports to the Government through the Minister of Tourism, Culture and Recreation. Mr. Jamie Schwartz was appointed Chair of the Board in January 2008 and continues to serve in this capacity.

Skier visits to Marble Mountain had been steadily increasing, reaching a high of 95,270 in 2007-08. The following year saw a 4.8 per cent decrease to 90,728, largely due to the downturn in the economy and the cancellation of direct flights from Europe, which affected the number of international visitors to Marble Mountain. Although skier visits decreased another 6 per cent in 2009-10 to 85,564, this can be attributed to the late start and early end to the season, along with a general lack of snow. The 2009-10 ski season was 86 days; the average season length of the previous six seasons was 102 days. Revenue was \$2,474,290 before Government funding (\$400,000) and expenses were \$2,658,435.

1.1 MANDATE

The mandate of the Marble Mountain Development Corporation has been generally summarized to state that the Board is to develop the facility into a four-season anchor attraction 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:

-
- *The Marble Mountain Development Corporation 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*
-

This clearly shows alignment with one of the strategic directions established by the Department of Tourism, Culture and Recreation, specifically, that Newfoundland and Labrador become a multi-season tourism destination.

1.2 VISION

Customer service and safety are top priorities at Marble Mountain. Friendly staff ensure 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. Marble Mountain's risk management specialist from Gougeon Insurance was impressed, once again, with the work of the Outside Operations crew, especially in the face of such challenging snow conditions. His 2009-10 report stated:

Marble Mountain Development Corporation is to provide a high-quality, safe and memorable experience in a world-class all-season resort area.

"The skiing conditions at Marble at the time of this visit were great despite the unusual snow year for the region. Grooming and snowmaking operations were doing an excellent job at managing and farming snow...The lifts were running smoothly and the lift operations staff were attentive...The obvious camaraderie, co-operative nature and sense of pride exuded in their day to day duties, always helps make visiting Marble Mountain an enjoyable experience."

1.3 MISSION

By 2011, the Marble Mountain Development Corporation will have improved its financial performance.

Improved financial performance will result from increased visitation, increased yield per visitor, controlled expenses, maintained visitor satisfaction and increased revenues from sources other than alpine services.

The MMDC Board recognizes that most ski resorts do not survive on alpine activities alone. Other revenue streams such as real estate development and additional year-round activities could enable Marble Mountain to improve its financial performance, and these initiatives are being explored by the MMDC Board.

1.4 VALUES

The values expressed below are intended to reflect operational values for Marble Mountain Ski Resort. In this context, the values of Marble Mountain Development Corporation have been identified as follows:

Teamwork	▪ Each person will work in a cooperative and effective manner as part of the Marble Mountain Team.
Responsiveness	▪ Each person will respond in a timely manner, appropriate to each situation as it arises.
Accountability	▪ Each person will be individually responsible for his/her actions. ▪ Each contributing member of a working group will be accountable for the outcomes.
Innovation	▪ Each person will avail of opportunities to create an enhanced guest experience at Marble Mountain Resort.

1.5 LINES OF BUSINESS

Alpine Activities and Services

Skiing and Snowboarding are still the primary activities at the resort. Chair lift rides are offered in the winter season. Disabled skiing, through the Canadian Association of Disabled Skiing is offered throughout the ski season.

Marble Mountain offers equipment rentals and repairs, snow school instruction and child supervision, locker and storage rentals and ski patrol (safety and first aid) services.

MMDC sells advertising in the form of signage on chair backs and at the top and base of the mountain. As well, sponsorships for events are available, as are advertising spaces in the resort's brochure.

Retail space was leased to George's Mountain Village during the 2009-10 season. Their business at Marble Mountain, which operates during the ski season only, sells alpine

accessories such as goggles, gloves, hats and sunglasses. It also carries souvenirs and some confectionery items.

Special Events

Marble Mountain Resort caters to weddings, meetings and conferences throughout the spring, summer and fall. During the ski season, events such as NL Day at the Olympics and Old Sam Day are held to add to the total guest experience at the resort.

Accommodations

Marble Villa is a 31-room hotel with condominium-style suites, which range in size from studios to two-bedroom units. They are characterized as ski-in/ski-out. This means 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.

Food and Beverage

The resort's food and beverage service operates a cafeteria, snack bar and bar during the ski season. These services are available to skiers and snowboarders and to the general public.

1.6 KEY STATISTICS

A summary of key statistics, including skier visits and pass sales, can be found in Appendix B. It is noteworthy that although daily lift ticket sales were down 12 per cent, overall skier visits decreased only 6 percent from the 2008-09 season. At 86 days, the 2009-10 season was 17 per cent shorter than the previous year; this indicates that pass sales and visitation would likely have kept pace with or exceeded 2008-09 figures if our season had started earlier and ended later than it did.

Further, season pass sales appear to be consistent within the various identified user groups. In terms of daily lift ticket sales, the 9 per cent increase in local ticket sales may be attributed to the increased levels of communication with users via social media such as Facebook and Twitter. Locals were aware that although snow conditions were almost non-existent in Corner Brook and the surrounding areas, snow on the mountain was beautifully maintained and conditions were excellent throughout the entire season.

2.0 SHARED COMMITMENTS

In the development of its Strategic Plan, the Department of Tourism, Culture and Recreation (DTCR) identified one strategic direction that directly relates to Marble Mountain Development Corporation, as follows:

Newfoundland and Labrador becomes a multi-season tourism destination.

Marble Mountain is committed to becoming a major all-season tourism generator, with an emphasis on being a catalyst for further high-end destination-oriented development in the area. Skiing and snowboarding will be considered the primary activities, however, summer and other off-season activities will also be given priority.

Marble Mountain Resort is the Province's primary winter attraction. MMDC partners with the DTCR in a winter marketing campaign that has Atlantic Canada and St. John's as its primary markets. This marketing campaign consisted of print and radio advertising and this year included a significantly increased web presence with a completely redesigned skimarble.com and a focus on social media such as Facebook, YouTube, Twitter, an iPhone App and a Marble Mountain blog. This increased use of "new" media was well received and allowed management to maintain a running dialogue with Resort users, resulting in increased understanding of how and why some operational decisions were made. Through these media, user feedback is almost instant, which allows management to respond to issues and concerns in a very timely manner.

Marble Mountain partnered with a local vacation packager and the Western Destination Marketing Organization to attend the Toronto Ski and Snowboard Show in October of 2009 as part of an ongoing commitment to marketing the Resort and the province as a tourism destination. Most exhibitors felt that the show was not quite as busy as previous years, and although visitation to Marble Mountain's booth declined slightly, more of the inquiries were serious. Many people commented on the province's incredible advertising campaign and were interested in traveling here in the summer, too. More people were aware of Marble Mountain, and 150 email addresses were added to the resort's e-newsletter contact list.

During the 2009-10 fiscal year a partnership was formed with MarbleZip Tours to package a Zip and Stay promotion that combined a MarbleZip tour with accommodations at Marble Villa. This promotion sold very well, attracting customers to the Villa who might not normally choose to vacation in the area. This four-season activity is attracting people from the province and beyond, helping the province become a multi-season tourism destination.

The partnership with Ultimate Ski Vacations (USV), one of Ontario's largest vacation packagers, was continued in 2009-10. MMDC contributed to a Consumer e-blast, and Globe and Mail newspaper insert, and provided the ski and accommodations component of a prize given away on the A Channel television station in Barrie, ON. A new partnership was formed with Absolute Travel Specialists out of Halifax. They acted as a travel packager for a group of homeowners at Humber Valley Resort and packaged accommodations with skiing during the winter season. This type of partnership continues to be beneficial to Marble Mountain Resort and the entire western region, and connections with established packagers in the Ontario market improve our access to this market.

Marble Mountain has been a catalyst for private sector investment in the area surrounding the resort. Millions of dollars have been injected into the area to upgrade or establish new operations. Humber Valley Resort (HVR) used Marble Mountain as a primary component of its marketing and investment attraction program. While HVR is now in operation under new owners and a new

business model, the chalets are privately owned and some are part of vacation packagers' inventory. Marble Inn and Cabins, a locally owned business, which started as a few cabins across the highway from Marble Mountain, has expanded to include an inn, restaurant, indoor pool and fitness centre and has planned renovations in the upcoming year to take advantage of the heightened interest in Marble Mountain and the Humber Valley region. KSAB Construction has built condominiums in the area and is planning further developments in the future. It is a fair statement to say that this development is occurring in large part because of Marble Mountain Resort.

Marble Mountain has partnerships with local media, hotels, and other businesses with a common goal to increase multi-season tourism traffic in Western Newfoundland. These mutually beneficial relationships help create and promote the area as an attractive tourism destination.

3.0 HIGHLIGHTS AND ACCOMPLISHMENTS: 2009-10

Although challenged by weather conditions, phenomenal snowmaking and grooming allowed the resort to open January 2 and remain open until the first week of April with no stoppage. Despite a shorter season than 2008-09, skier visits decreased only 6 per cent. Had the season lasted as long as planned, it is likely that skier visits would have remained on par or increased over those demonstrated during the 2008-09 season.

The 2009-10 operating year saw a significant focus on digital marketing and the use of social media. The skimarble.com website was completely revamped and an online sales portal was added, increasing ease of use for customers. An increase in the digital marketing spend for 2009-2010 allowed for greater impact of this campaign over previous years; this year's campaign resulted in over 90 million impressions compared to 11 million during the previous year.

Budgeted advertising sales were exceeded. Many long-standing advertisers renewed their space and some drastically increased their presence and investment. Also, new advertisers were attracted this season and efforts will continue in the future to increase interest in this area.

A slightly redesigned managerial structure was adopted to better reflect the skills and abilities of our employees. By moving Villa management away from the Marketing and Sales area and into the portfolio of the Manager of Finance and Administration, the board was able to take advantage of this manager's significant knowledge and experience in the accommodations industry; this allowed the Manager of Marketing and Sales to refocus in areas of social media.

Food and Beverage continues to show strong results. New Years Eve sold out in less than one week – with only Facebook advertising. Several groups were hosted for meetings during the snow season, including one group that has held winter meetings at Marble Mountain for seven consecutive years. All groups have been very complimentary of the food and service they received, and MMDC hopes to be able to increase meeting and convention offerings in the future.

Many other activities rounded out the snow season, including Newfoundland and Labrador Day at the Olympics, hosted by the City of Corner Brook and held at Marble Mountain. More than 1000 people attended the event. The 2009 summer wedding season was very strong, with at least one wedding booked on nearly every weekend from June through September; bookings for 2010 are equally as strong. Special events continue to provide a significant revenue stream for the operation.

Snow School programs continue to be popular with regular guests, and the Kids Kamp program sold out during the Open House in October. More than 60 instructors were employed throughout the season in various programs and lessons, and certification courses in both skiing and snowboarding were conducted during the season, allowing the Snow School to add new talent. There has been a noticeable increase in the number of School Alpine Program participants taking the snowboard option when visiting with schools, which is indicative of an overall trend.

Slope work to improve Knute Chute and Jigger resulted in more user-friendly novice terrain. Further enhancement of the existing terrain park and the addition of a progression park resulted in “one of the best ever” seasons for terrain park users at Marble Mountain. Park users of all ages are now able to take advantage of a variety of terrain suited to their abilities, and this can help increase participation through competitions, demonstrations and other events aimed at park users.

4.0 REPORT ON PERFORMANCE: 2009-10

4.1 PREAMBLE

Given the significant change in leadership structure of the management team at Marble Mountain and uncertainty about when a new General Manager will join the organization, the timelines originally set forth in the 2008-11 Business Plan may not be met as planned in the 2010-2011 fiscal year. The Board remains dedicated to the goals and objectives that were established and looks forward to working with a new General Manager in the near future to continue the development of Marble Mountain Resort.

4.2 ISSUE ONE: BASE AREA DEVELOPMENT

Original plans for Marble Mountain Resort included the development of the base area. Townhouses, condominiums, and other amenities were identified as integral to the development of the base area of the resort. For various reasons, this development did not happen. However, in general, multi-season, high-quality resorts have highly developed base areas; for continued growth, a development strategy for the base of Marble Mountain needs to be created.

Goal One: By 2011, the Marble Mountain Development Corporation will have created a base area development strategy.

Objective:

By April 2010, the MMDC Board will have identified land management options and completed a needs assessment of the region including infrastructure capacity.

Measure:

Report identifying land management options and the region’s needs in terms of real estate and tourism-related development.

Indicators	Performance for 2009-10
<ul style="list-style-type: none"> ▪ Resort’s needs identified ▪ Commercial ventures explored ▪ Land management options identified ▪ Needs assessment conducted ▪ Existing infrastructure reviewed ▪ Report written which includes land utilization and management options and identification of the needs of the region 	<ul style="list-style-type: none"> ▪ The resort’s needs were discussed and partially identified ▪ Commercial ventures were explored; two commercial partnerships have begun ▪ Land management options have been explored but not specifically identified ▪ Informal needs assessment conducted ▪ Existing infrastructure has been reviewed ▪ Report has not been written

Discussion of Results:

Much discussion took place at the Board level last year around the next steps with regard to the future development of Marble Mountain Resort. In April of 2010, MMDC Board members and department managers met with the Department of Tourism, Culture and Recreation. In addition to a site and facility tour, the Board gave a presentation detailing the operation and development issues, and introducing the future development direction MMDC would like to pursue. The Board looks forward to direction from the Province on the information that was presented and plans to move forward with a report on land utilization and management options as soon as further direction is given.

The MMDC Development Sub-Committee has extensively reviewed existing development plans and discussed the future needs of the resort, identifying increased accommodations, restaurants, shops, four-season recreational activities and residential development as key requirements for growth. The result was an informal needs assessment and infrastructure review; the retirement of the General Manager and subsequent vacancy in the position meant that reports were not written as priority was placed on preparing information for the impending change in management. Once a new General Manager is selected and familiarized with the operation, the Board will resume its focus on achieving these indicators.

The Development Sub-Committee has also explored land management models and identified the importance of private sector partners for future development of the Marble

Mountain area. There are many forms that development may take, and public-private partnerships may be one way to address the addition of new infrastructure.

For the past number of years, MMDC has adopted a model that allows a private sector retail business to operate from the Resort's base lodge. This arrangement has been beneficial for both MMDC and the private operator, and this model will be continued in the future.

Further, a partnership has been developed with MarbleZip Tours (MZT), a private sector business currently operating very successfully on land controlled by Marble Mountain. Although MZT is a completely separate operation, MMDC has seen the benefit of having such a venture located in close proximity to Marble Mountain Resort. MMDC has partnered with MZT to offer packages that combine a MZT tour with room nights at Marble Villa; this partnership has already proved to be successful and the Resort looks forward to an increased number of visitors as MZT expands its operation.

Stemming from the success of MZT, MMDC has discussed other private-sector partnership opportunities that may be immediately available without further infrastructure development. Specifically, the board would like to explore the addition of private partners offering complementary products and services within existing base area buildings.

2010-2011

Objective:

By April 2011, the MMDC Board will have completed a base area development strategy.

Measure:

Base area development strategy completed.

Indicators:

Report is written which identifies strategy for base area development, including land utilization, land management and infrastructure management.

4.2 ISSUE TWO: TERRAIN DEVELOPMENT

Marble Mountain Development Committee remains committed to developing a high-quality ski and snowboard product, in keeping with one of the key focus areas of the Department of Tourism, Culture and Recreation: to develop high-quality, in-demand tourism products and experiences. To increase Marble Mountain's customer base, MMDC must commit to continuous improvement in the Resort's winter product to keep up with industry trends and customer demands.

MMDC has access to extensive terrain for further growth but few resources have been committed to this in recent years. An examination of critical terrain needs last year indicated areas of concern continue to be the lack of novice terrain on the mountain, the need for improvement in the existing terrain park, and the development of a progression terrain park.

Goal Two: By 2011, the Marble Mountain Development Corporation will have created a long-term terrain development strategy.

2009-10

Objective:

By April 2010, the MMDC Board will have created terrain as identified in objective 1.

Measure:

Terrain further developed.

Indicators	Performance for 2009-10
<ul style="list-style-type: none"> ▪ Progression terrain park area created 	<ul style="list-style-type: none"> ▪ Progression terrain park area created

Discussion of Results:

To serve the needs of younger and developing terrain park users, a progression park was created. This park included hits and features that are smaller and/or less challenging than those included in the Resort’s original terrain park, making it easier for younger users or learners to use a park. Very good feedback was received from users of this park and development of this user area will be continued in the future.

The addition of a Park Attendant led to recruitment of a dedicated volunteer crew, ensuring excellent operating conditions for both terrain parks. The Attendant was responsible for daily maintenance in the parks, including clearing snow from features and shaping hits, time-consuming tasks that have previously been the responsibility of Ski Patrol. With a dedicated leader, recruitment and organization of volunteers were significantly improved.

To further address the comments received in the past regarding the lack of novice terrain, two intermediate slopes were modified: the top of Knute Chute and sections of Jigger were widened. This made them even more user friendly by giving skiers and riders a larger area to use, which can greatly decrease anxiety in learners and those unfamiliar with the terrain. Additionally, all of the existing train signage was reviewed and updated, providing clearer direction to users unfamiliar with the terrain.

The progression park installation and slope modifications were extremely successful; this objective was satisfactorily met in 2009-10 and the measure and indicator set for 2010-11 should be met in the upcoming year.

2010-2011

Objective:

By April 2011, the MMDC will have developed a terrain development strategy.

Measure:

Terrain development strategy completed.

Indicators:

Report is written which identifies strategy for long-term terrain development, including identification of critical terrain needs, progress on recent terrain development, and identification of additional terrain and resulting infrastructure requirements.

4.3 ISSUE THREE: VIABILITY OF MARBLE MOUNTAIN BECOMING A FOUR-SEASON RESORT

MMDC's mandate includes making Marble Mountain a four-season resort which would, in turn, help Newfoundland and Labrador become a multi-season tourism destination. Initiatives have been introduced in the past with poor results. These initiatives included summer chairlift rides, hiking trails, children's activities and a driving range. These activities demonstrated a very low level of demand, resulting in minimal revenues that either did not or marginally offset expenses. MMDC's financial position actually became weaker as a result of the increased activity.

The summer, spring and fall operations at Marble Mountain currently consist of events such as weddings, meetings and concerts. While these events are profitable, the facilities at the resort will need upgrading to further expand event business. Meeting space is awkwardly configured due to the post and beam construction of the lodge and during the ski season, meeting space is very limited. The kitchen facilities are not designed for large group catering.

The 2007-08 interim business plan included a goal to identify options to enhance the utilization of the resort. Many suggestions have been considered, such as the operation of chair lifts in summer months for mountain biking. When this option was further explored, it was determined that the initiative would likely result in a net loss, thus destroying the business case for this activity.

However, the consideration of new activities and facilities highlighted the need to determine whether it is viable for Marble Mountain to become a four-season resort in the traditional sense. MMDC will evaluate the viability of becoming a four-season resort to ensure that expanding operations will result in profitability.

Goal Three: By 2011, MMDC will have evaluated the viability of Marble Mountain Resort becoming a four-season operation.

2009-10

Objective:

By April 2010, the MMDC Board will have conducted a needs assessment of the region.

Measure:

A report on the needs of the region regarding four-season resort activity.

Indicators	Performance for 2009-10
<ul style="list-style-type: none"> ▪ Industry scan conducted ▪ Market trends examined ▪ Needs assessment conducted ▪ Report written 	<ul style="list-style-type: none"> ▪ Industry scan has not been conducted ▪ Market trends have been examined ▪ Informal discussion of needs has taken place, including identification of potential ventures for future development ▪ No report written

Discussion of Results:

The region has been impacted by several developments in the past several years, including the development and subsequent falter in operations of Humber Valley Resort. When winter operations ceased, there was an impact on the region as a whole due to cessation of services previously available (restaurants, spa, wedding and conference facilities, etc.) and decreased numbers of overseas visitors. Although several service operations have restarted with new owners in the last year (golf course, spa, property management companies), it is difficult at this time to assess the impact that these may have on Marble Mountain on a four-season basis.

Independent tourism operators such as MarbleZip Tours and My Newfoundland Adventures continue to operate with four-season activities, leading to increases in traffic at Marble Villa. Recent initiatives such as “Zip and Stay” have been positively received by visitors and may serve to boost occupancy rates in traditionally slower times of the year.

Ongoing development of accommodations in the Steady Brook area will also have an effect on the number of visitors in the region. One set of condominium-style accommodations are currently under construction with a planned opening of early 2011, while at least one other also plans to begin construction in the near future. These developments may include pools, restaurants and other services.

Due to the many changes taking place and recent developments, it is difficult to assess the outstanding needs in the region. At this time, a formal industry scan and needs assessment have not been conducted. However, MMDC has identified the continued opportunity for a private retail and/or service operation within the base lodge, and will pursue this for 2010-2011. Although no formal industry scan or needs assessment has been conducted, extensive discussions have taken place within the MMDC Board and such tasks will be identified as priorities once a full management team is once again in place.

2010-2011

Objective:

By April 2011, the MMDC will have evaluated the viability of Marble Mountain Resort becoming a four-season operation.

Measure:

Viability of four-season operation of Marble Mountain Resort will be evaluated.

Indicators:

Report is written which identifies market trends, assessment of regional needs, and overall viability of Marble Mountain becoming a four-season resort, including costs and benefits.

5.0 OPPORTUNITIES AND CHALLENGES

The winter operations at Marble Mountain Resort continue to be ruled largely by Mother Nature. The 2009-10 season was the mildest, driest season in recent memory and the snowfall was significantly lower than average. The Resort opened a week behind the regularly scheduled opening date, missing Christmas and New Year traffic, and offered lower-slopes only at this time. Shortly after opening, the lift servicing the majority of these lower-slopes went down. As well, the Resort closed a week earlier than we had planned. The last day of skiing and snowboarding for the 2009-10 season was April 4, Easter Sunday – the temperature neared +20C.

Given these weather challenges, skier visits were expected to be far below last year's totals. In actuality, they were down only 6 per cent and season pass sales were down only 4 per cent. Reviews from guests on snow conditions were very positive.

What this indicates is that although the Resort's success is undeniably tied to an uncontrollable weather factor, outside operations are top notch. Recent upgrades to snowmaking have proved invaluable, allowing the crew to make snow when the Resort would otherwise have none and to provide excellent conditions when they are least expected. This greatly increases the Resort's ability to serve users with a consistent, high-quality product.

New methods of communication helped to promote snow conditions, and proved to be extremely successful during the 2009-10 season. The use of social media, such as Facebook, Twitter, YouTube, Marble Mountain blog, and an iPhone application, meant that brand loyalty and customer service were improved by maintaining direct digital conversations with current and potential guests. The redesign of the Resort's website also resulted in a more streamlined user-friendly site, improving the ability of users to locate information and enabling management to drive traffic to social media outlets. These new methods of almost instant communication with users will allow continuous promotion of conditions and events, which should result in increased skier visits.

The Resort's rates continue to provide excellent value for guests, and strong season pass sales in a snowless winter support the view that Marble Mountain is a very affordable option for recreation. Continued increases in season pass sales are anticipated and usage patterns indicate that day pass sales will also increase as long as weather cooperates.

Summer operations have shown no signs of slowing down, and the base lodge facility provides an good venue for weddings, conferences and meetings of various sizes during the non-snow season. Extending this product offering into the winter season continues to be a challenge due to lack of meeting space, although options for this are being explored. Interior spaces will be modified as the Resort's financial position allows, increasing the usability of the lodge during the snow season.

Air access to the region continues to be a challenge. The loss of a direct flight from the UK into Deer Lake showed an impact on the number of international guests, which affected the number of daily lift ticket and season pass sales. Further, the cost of flights from St. John's, Halifax and other key markets may hinder the Resort's ability to attract skiers and riders from these regions, as other resorts may offer a less expensive vacation option.

Another significant challenge that the Resort faces is aging infrastructure. While the base lodge is a stunning facility, it is beginning to show its age and upgrades are needed, such as roof repair, restaining, deck replacement, kitchen equipment, and so on. Physical infrastructure on the mountain is also aging. The Resort will soon be faced with the need to replace the main snowmaking line, and lifts are constantly in need of repair and refurbishment. The loss of any of these systems would be devastating for operations. As well, Marble Villa is over 10 years old and most of the kitchen equipment, furniture, linens and draperies has not been updated and is starting to show its age. Upgrades will be needed in this facility in the near future.

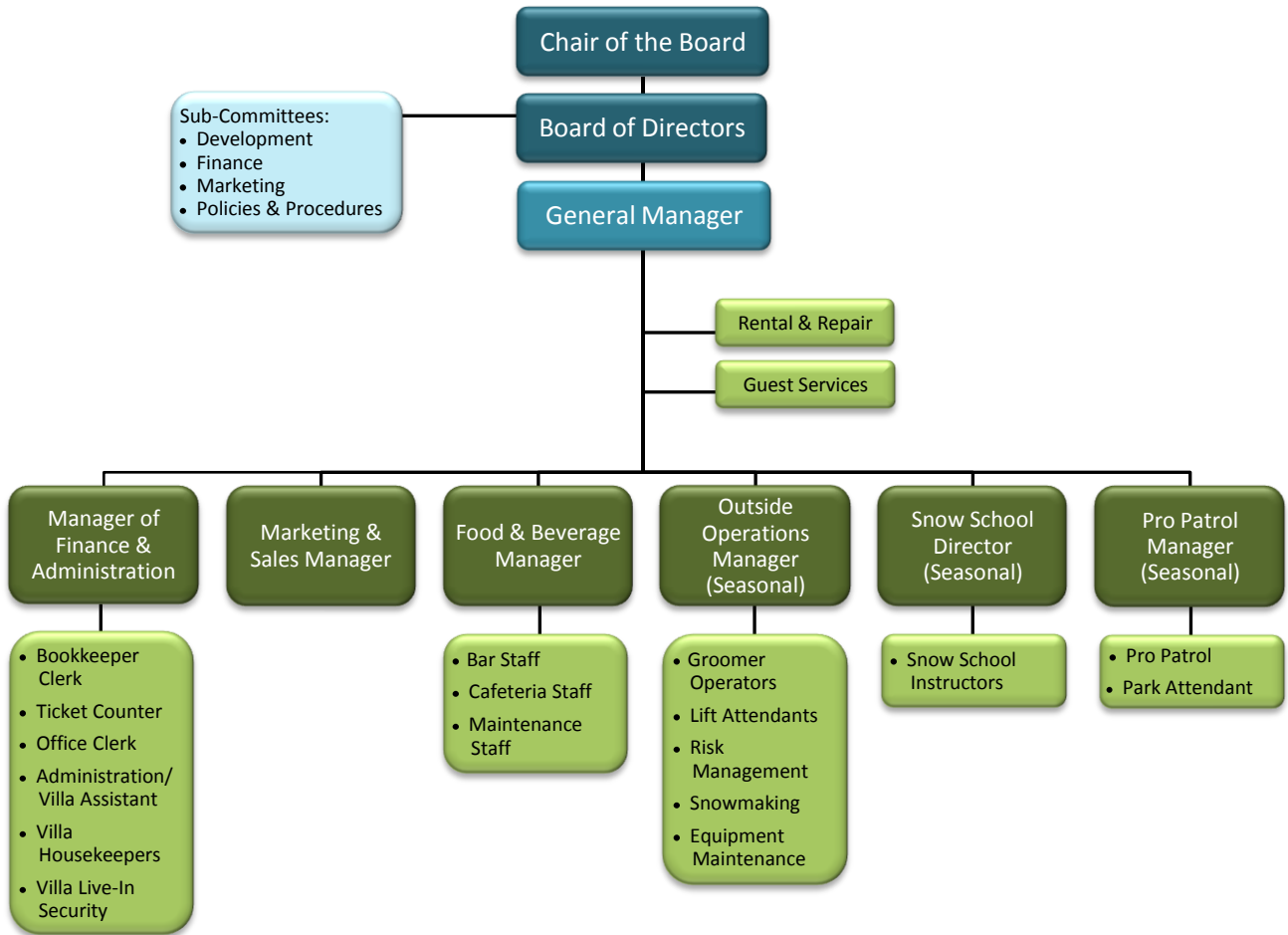
The board has been very lucky to have had Anne Pinsent as MMDC's General Manager since April of 2003. Ms. Pinsent retired at the end of April 2010 after 18 seasons as a member of the organization – a Snow School Instructor for six years, Snow School Director for three, Assistant Manager and Director of Guest Services for one year before moving into her most recent role. She has been a dedicated, capable manager and her departure leaves the Board with a significant role to fill.

6.0 FINANCIAL PERFORMANCE

The audited financial statements of the Marble Mountain Development Corporation have been prepared by the firm of Belanger, Clarke, Follett & McGettigan and accepted by the MMDC Board of Directors. During the presentation of these statements, it was noted by the auditor that accounting practices of MMDC have been very high quality and expenditures very prudent.

These statements can be found in Appendix C.

APPENDIX A – MMDC ORGANIZATIONAL CHART



- Board of Directors**
- Jamie Schwartz Chair
 - Janice Ryan Vice-Chair
 - Terry Paddon Department of Finance
 - Mary Taylor-Ash Department of Tourism, Culture and Recreation
 - John Davis Department of Innovation, Trade and Rural Development
 - Mike Dolter City of Corner Brook
 - Dale Park Town of Steady Brook
 - Jerry George Marble Mountain Ski and Ride Club
 - Steve May At Large
 - Bob Pike At Large
 - Laura Walbourne At Large

APPENDIX B – VISITOR STATISTICS

Overview

	2008-09	2009-10	% Change
Season Passes	2,855	2,746	-4%
Daily Lift Tickets	25,695	22,406	-12%
Total Skier Visits	91,360	85,564	-6%

* 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 and this figure was derived by surveying season pass holders.

Season Pass Sales

	2008-09	% of Total	2009-10	% of Total
Student	1,007	35%	921	34%
Senior	54	2	54	2
Family	796	28	781	28
Adult	602	21	517	19
Child (5-12)	315	11	366	13
Under 5	25	1	44	2
Unknown	56	2	63	2
Total	2,855		2,746	

Season Pass Holder Origin

	2008-09	% of Total	2009-10	% of Total
Local (2 hours)	2,329	81%	2,163	79%
St. John's (metro)	345	12	383	14
Rest of NL	62	2	66	2
Atlantic Canada	25	1	20	1
Rest of Canada	6	0.2	15	0.5
UK/Ireland	29	1	38	1.5
International	3	0.1	-	-
Unknown	56	2	63	2

Daily Lift Ticket Customer Origin

	2008-09	% of Total	2009-10	% of Total
Local	9,642	37%	10,248	46%
Within 2 Hours	1,765	7	1,197	5
Rest of NL	9,093	35	6,706	30
Labrador	52	1	39	0.5
Atlantic Canada	2,275	9	1,607	7
Rest of Canada	493	2	276	1
USA	52	1	21	0.5
Britain	1,137	4	684	3
International (other)	541	2	1,011	4
Comp	632	2	602	3
Unknown	13	0.05	15	0.5

APPENDIX C – AUDITED FINANCIAL STATEMENTS

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Financial Statements

Year Ended April 30, 2010

**Belanger Clarke
Follett & McGettigan**
CHARTERED ACCOUNTANTS • BUSINESS ADVISORS

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
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Year Ended April 30, 2010

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AUDITORS' REPORT

To the Shareholders of Marble Mountain Development Corporation

We have audited the balance sheet of Marble Mountain Development Corporation as at April 30, 2010 and the statements of income, deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Corner Brook, Newfoundland and Labrador
June 10, 2009


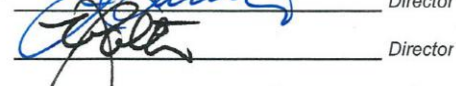
Belanger Clarke Follett & McGettigan
CHARTERED ACCOUNTANTS

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

**Balance Sheet
As at April 30, 2010**

	2010	2009
Assets		
Current		
Cash	\$ 6,636	\$ 7,139
Accounts receivable	95,116	92,217
Inventory (Note 2)	38,899	48,220
Prepaid expenses	40,598	79,779
	181,249	227,355
Capital assets (Notes 2, 4)	16,477,697	17,466,031
Deferred charges (Note 2)	-	24,497
	\$ 16,658,946	\$ 17,717,883
Liabilities		
Current		
Bank indebtedness (Note 5)	\$ 1,269,879	\$ 1,890,789
Accounts payable and accrued liabilities (Note 6)	174,612	354,584
Current portion of obligations under capital lease (Note 9)	100,621	143,300
Deferred revenue	22,741	13,000
Deferred grant (Note 8)	800,000	-
Current portion of long term debt (Note 15)	13,967	13,967
	2,381,820	2,415,640
Long term debt (Note 15)	286,033	286,033
Obligations under capital lease (Note 9)	181,531	273,426
Deferred government assistance (Notes 2, 7)	5,498,056	5,791,833
	8,347,440	8,766,932
Shareholders' equity		
Contributed surplus	23,130,703	22,730,703
Deficit	(14,819,197)	(13,779,752)
	8,311,506	8,950,951
	\$ 16,658,946	\$ 17,717,883
Contingent liability (Note 12)		
Lease commitments (Note 11)		

On behalf of the Board

 Director
 Director

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

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MARBLE MOUNTAIN DEVELOPMENT CORPORATION
Statement of Deficit
Year Ended April 30, 2010

	2010	2009
Deficit - beginning of year		
As previously reported	\$ (13,779,757)	\$ (13,065,951)
Prior period adjustment (Note 14)	-	(10,763)
As restated	(13,779,757)	(13,076,714)
Excess of revenue over expenditure	(141,572)	199,512
	(13,921,329)	(12,877,202)
Amortization	897,868	902,550
Deficit - end of year	\$ (14,819,197)	\$ (13,779,752)

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

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MARBLE MOUNTAIN DEVELOPMENT CORPORATION
Statement of Income
Year Ended April 30, 2010

	2010	2009
Income (loss) from operations		
Lift Operations (Schedule 1)	\$ (522,489)	\$ (322,571)
Rental and Repair Shop (Schedule 2)	157,849	165,161
Cafeteria (Schedule 3)	7,147	60,204
Bar (Schedule 4)	25,647	73,583
Ski School (Schedule 5)	(1,441)	28,679
Events (Schedule 6)	83,533	41,735
Marketing (Schedule 7)	(65,448)	(127,408)
Marble Villa (Schedule 8)	131,057	192,253
Operating grant	401,247	400,000
Interest income	-	712
	<u>217,102</u>	<u>512,348</u>
Expenses		
Administration	18,612	12,809
Advertising	2,286	578
Bad debts	-	2,732
Board and committee meetings	1,273	3,627
Communications	11,187	7,288
Directors fees (Note 13)	5,715	3,940
Interest and bank charges	29,867	54,383
Interest on capital leases	28,181	25,979
Labour services	244,049	184,306
Miscellaneous	1,384	1,358
Professional fees	9,188	7,981
Travel and conference	6,932	7,855
	<u>358,674</u>	<u>312,836</u>
Excess of expenditures over revenue	\$ (141,572)	\$ 199,512

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

4

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Statement of Cash Flows

Year Ended April 30, 2010

	2010	2009
Operating activities		
Cash receipts from customers	\$ 2,482,377	\$ 2,634,849
Cash paid to suppliers and employees	(3,077,819)	(2,733,683)
Interest paid	(44,294)	(123,468)
Prior period adjustment	-	(10,763)
Interest income	-	712
Cash flow used by operating activities	<u>(639,736)</u>	<u>(232,353)</u>
Investing activities		
Purchase of capital assets	(194,229)	(552,400)
Proceeds on disposal of capital assets	-	21,841
Cash flow used by investing activities	<u>(194,229)</u>	<u>(530,559)</u>
Financing activities		
Bank indebtedness	(620,910)	112,218
Repayment of obligations under capital lease	(145,628)	(144,207)
Operating grant	800,000	400,000
Capital grant	800,000	400,000
Cash flow from financing activities	<u>833,462</u>	<u>768,011</u>
Increase (decrease) in cash flow	(503)	5,099
Cash - beginning of year	<u>7,139</u>	<u>2,040</u>
Cash - end of year	\$ 6,636	\$ 7,139
Cash consists of:		
Cash	<u>\$ 6,636</u>	<u>\$ 7,139</u>

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

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MARBLE MOUNTAIN DEVELOPMENT CORPORATION
Notes to Financial Statements
Year Ended April 30, 2010

1. Description of operations

The Corporation is a "Non-Profit Development Corporation" incorporated under the Corporations Act of Newfoundland and Labrador. Its affairs are managed by a Board of Directors appointed by the Lieutenant Governor in Council. The Province of Newfoundland and Labrador holds 100% of the issued common shares.

2. Summary of significant accounting policies

Inventory

Inventory is valued at the lower of cost and net realizable value.

Capital assets

Capital assets purchased by the Corporation are accounted for at cost. Donated assets are recorded at the estimated fair market value. Amortization is provided for on a straight-line basis over the estimated life of the assets 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

Deferred charges

Deferred charges represent the unamortized cost of purchasing uniforms for snow school instructors. Amortization of the deferred charge is provided on the straight-line basis over 3 years and is recorded as ski patrol expense in lift operations.

Government assistance and other contributions

Provincial government grants and other contributions related to the acquisition of capital assets are accounted for as contributed surplus. Federal government grants and other contributions related to the acquisition of capital assets are recorded as deferred government grants and amortized to income in relationship to the amortization of the asset involved. Government assistance and other contributions related to capital assets retired from service are credited against the related capital asset in the year of retirement.

Government grants related to operations are accounted for as revenue or as a reduction of the expense to which the grant relates.

(continues)

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
Notes to Financial Statements
Year Ended April 30, 2010

2. Summary of significant accounting policies *(continued)*

Revenue Recognition

We recognize revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- our ability to collect is reasonably assured.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets and goodwill. Actual results could differ from these estimates.

3. Financial instruments

The Corporation's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, deferred revenue, obligations under capital leases, and long-term debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. Capital assets

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Area improvements	\$ 12,288,213	\$ 6,786,850	\$ 5,501,363	\$ 5,881,500
Buildings	10,653,764	3,997,835	6,655,929	6,866,353
Computer equipment	24,307	13,416	10,891	12,632
Equipment under capital lease	877,911	259,132	618,779	677,814
Furniture and fixtures	805,334	764,053	41,281	56,801
Lifts	5,000,963	2,747,017	2,253,946	2,351,208
Rental equipment	263,593	218,438	45,155	78,046
Signs	106,541	106,541	-	-
Vehicles	5,545,245	4,194,892	1,350,353	1,541,877
	\$ 35,565,871	\$ 19,088,174	\$ 16,477,697	\$ 17,466,031

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
Notes to Financial Statements
Year Ended April 30, 2010

5. Bank indebtedness

	2010	2009
Outstanding cheques in excess of funds on deposit	\$ 137,384	\$ 81,297
Line of credit	1,132,495	1,809,492
	\$ 1,269,879	\$ 1,890,789

The line of credit is authorized in the amount of \$2,087,000 and bears interest at the rate of bank prime plus 0%. It is secured by a Provincial Government guarantee and letter of indemnity and overdraft agreement signed by the Board of Directors.

6. Accounts payable and accrued liabilities

	2010	2009
Trade	\$ 136,692	\$ 333,482
Harmonized sales tax payable	(3,134)	996
Payroll deductions payable	34,141	14,747
Wages payable	6,913	5,359
	\$ 174,612	\$ 354,584

7. Deferred government assistance - capital assets

	2010	2009
Balance, at beginning of year	\$ 5,791,833	\$ 6,085,611
Less: amount transferred to income by reduction of amortization expense for the year	(293,777)	(293,778)
Balance, at end of year	\$ 5,498,056	\$ 5,791,833

8. Government assistance and other contributions - operations

Province of Newfoundland and Labrador - Operating grant

For the year ended April 30, 2010, an administrative operating grant of \$800,000 (2009 - \$400,000) was approved and received. For the year ended April 30, 2010, a capital grant of \$800,000 (2008 - \$400,000) was received and recorded as contributed surplus.

The above administrative operating grant is subject to the terms and conditions as outlined in the contribution agreement

MARKLE MOUNTAIN DEVELOPMENT CORPORATION
Notes to Financial Statements
Year Ended April 30, 2010

9. Obligations under capital lease	<u>2010</u>	<u>2009</u>
Leascor Equipment Financing Inc., repaid during the year	\$ -	\$ 22,298
Alter Moneta Leasing, bearing interest at 6.76% per annum, repayable in monthly blended payments of \$5,504. The lease matures on November 30, 2010 and is secured by a charge over specific equipment.	32,384	93,960
National Leasing, bearing interest at 8.45% per annum, repayable in monthly blended payments of \$6,166. The lease matures on November 30, 2013 and is secured by a charge over specific equipment.	228,080	280,376
National Leasing, bearing interest at 10.835% per annum, repayable in monthly blended payments of \$753. The lease matures on December 1, 2012 and is secured by a charge over specific equipment.	12,966	20,092
National Leasing, bearing interest at 3.86% per annum, repayable in monthly blended payments of \$307. The lease matures on December 1, 2012 and is secured by specific equipment.	<u>8,722</u>	-
	282,152	416,726
Amounts payable within one year	<u>(100,621)</u>	<u>(143,300)</u>
	\$ 181,531	\$ 273,426
Future minimum capital lease payments are approximately:		
2011	\$ 100,621	
2012	70,458	
2013	69,100	
2014	<u>41,974</u>	
Total minimum lease payments	<u>\$ 282,152</u>	

10. Income taxes

The Corporation is a not-for-profit corporation wholly owned by the Province of Newfoundland and Labrador and as such is not subject to Federal and Provincial income taxes under the Canadian Income Tax Act.

11. Lease commitments

The Corporation leases equipment under long-term operating leases which expire at various times between 2011 and 2012. The future minimum lease payments required under these long-term leases are approximately as follows:

2011	\$ 6,462
2012	<u>2,398</u>
	<u>\$ 8,860</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
Notes to Financial Statements
Year Ended April 30, 2010

12. Contingent liability

As at April 30, 2010, a supplier had claimed that the Corporation owed it approximately \$70,005 for services rendered. The Corporation's management feels the claim is unfounded and the likelihood of any loss resulting therefrom is undeterminable. Therefore, the Corporation has not recorded a provision for losses that may result from the claim.

13. Related party transactions

During the year ended April 30, 2010, director's fees of \$6,192 (2008 - \$3,940) were paid in aggregate to the Board of Directors of the Corporation.

14. Prior period adjustments

Prior period adjustments are the result of additional transactions recorded in the general ledger after the 2008 audited financial statements were completed.

15. Long term debt

	2010	2009
Department of Innovation, Trade and Rural Development, non-interest bearing and repayable in annual installments based on 20% of available cash flow. Due 2015.	\$ 300,000	\$ 300,000
Amounts payable within one year	(13,967)	(13,967)
	\$ 286,033	\$ 286,033

Principal repayment terms are approximately:

2011	\$ 13,967
2015	286,033

The above long term debt is secured by a chattel mortgage on specific equipment. Long term debt repayments required to meet retirement provisions are based on available cash flow which is defined as net profit plus amortization less principal payments on long-term debt and capital leases. The Corporation has until 2015 to repay the loan in full.

16. Changes in non-cash working capital

	2010	2009
Accounts receivable	\$ (2,899)	\$ (8,621)
Inventory	9,321	(13,244)
Accounts payable and accrued liabilities	(179,976)	19,513
Prepaid expenses	39,181	1,975
Deferred revenue	9,741	(630)
Deferred grant	800,000	-
	\$ 675,368	\$ (1,007)

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Lift Operations

(Schedule 1)

Year Ended April 30, 2010

	2010	2009
Revenue		
Lift tickets	\$ 524,662	\$ 571,076
Season passes	560,428	581,611
Tenant-revenue	-	20,000
Children's centre	9,068	9,517
Facilities rental	3,280	649
Miscellaneous - Lifts	1,340	1,286
	<u>1,098,778</u>	<u>1,184,139</u>
Expenditures		
Children's centre	14,863	18,290
Communications	15,264	15,167
Management contract	109,564	92,400
Equipment rental	14,989	22,565
Heating and electricity	129,299	123,120
Insurance	98,542	117,330
Interest and bank charges	40,443	40,174
Labour services	363,539	395,499
Lift repairs	160,373	97,391
Maintenance		
Building	37,888	62,412
Equipment	-	701
Slopes	64,149	54,154
Miscellaneous	38,630	19,064
Municipal fees	33,385	13,385
Security	299	389
Ski patrol	78,811	85,388
Snowclearing	11,943	15,720
Snowmaking		
Electricity	126,499	118,353
Labour services	79,084	37,721
Equipment maintenance	68,624	35,876
Supplies	27,966	30,634
Vehicle operating		
Repairs	58,808	52,668
Fuel	45,168	53,355
Uniforms	3,137	4,954
	<u>1,621,267</u>	<u>1,506,710</u>
Loss from operations	\$ (522,489)	\$ (322,571)

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

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MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Rental and Repair Shop
Year Ended April 30, 2010

(Schedule 2)

	2010	2009
Revenue	\$ 219,773	\$ 231,829
Expenditures		
Communications	490	590
Equipment rental	890	875
Labour services	58,234	64,865
Miscellaneous	93	(73)
Supplies	2,217	411
	<u>61,924</u>	<u>66,668</u>
Income from operations	\$ 157,849	\$ 165,161

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

12

MARKLE MOUNTAIN DEVELOPMENT CORPORATION

Cafeteria

(Schedule 3)

Year Ended April 30, 2010

	2010	2009
Revenue	\$ 226,927	\$ 301,554
Cost of sales	<u>119,662</u>	<u>123,744</u>
Gross profit	<u>107,265</u>	<u>177,810</u>
Expenditures		
Communications	269	383
Labour services	85,857	100,113
Miscellaneous	167	519
Repairs and maintenance	3,838	2,891
Supplies	<u>9,987</u>	<u>13,700</u>
	<u>100,118</u>	<u>117,606</u>
Income from operations	<u>\$ 7,147</u>	<u>\$ 60,204</u>

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

13

MARKLE MOUNTAIN DEVELOPMENT CORPORATION

Bar

(Schedule 4)

Year Ended April 30, 2010

	2010	2009
Revenue	\$ 129,244	\$ 159,762
Cost of sales	59,997	45,809
Gross profit	69,247	113,953
Expenditures		
Communications	274	157
Entertainment	6,000	8,798
Labour services	27,020	26,857
Licenses and fees	2,311	220
Repairs and maintenance	821	459
Security	1,536	594
Special events	4,805	2,407
Supplies	833	878
	43,600	40,370
Income from operations	\$ 25,647	\$ 73,583

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

14

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Ski School

(Schedule 5)

Year Ended April 30, 2010

	2010	2009
Revenue	\$ 127,987	\$ 139,223
Expenditures		
Communications	324	507
Computer lease	153	366
Krunchers Club	1,198	5,685
Labour services	103,090	95,904
Miscellaneous	1,190	576
Supplies	2,169	3,942
Training	745	3,564
Uniforms	20,559	-
	129,428	110,544
Income (loss) from operations	\$ (1,441)	\$ 28,679

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

15

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Events

(Schedule 6)

Year Ended April 30, 2010

	2010	2009
Revenue	\$ 224,266	\$ 223,050
Cost of sales	<u>33,911</u>	<u>62,006</u>
Gross profit	<u>190,355</u>	<u>161,044</u>
Expenditures		
Communications	845	767
Interest and bank charges	3,851	4,415
Labour services	97,831	102,711
Maintenance	511	1,550
Miscellaneous	2,544	3,255
Supplies	<u>1,240</u>	<u>6,611</u>
	<u>106,822</u>	<u>119,309</u>
Income from operations	<u>\$ 83,533</u>	<u>\$ 41,735</u>

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

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MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Marble Villa

(Schedule 8)

Year Ended April 30, 2010

	2010	2009
Revenue	\$ 287,290	\$ 367,115
Expenditures		
Cable television	4,814	5,631
Common area expenses	6,995	7,870
Communications	5,227	5,494
Heat and light	33,098	33,414
Housekeeping	31,346	30,058
Insurance	11,904	6,804
Labour services	22,689	16,883
Laundry	-	6,016
Marketing	4,124	1,500
Miscellaneous	459	1,842
Repairs and maintenance	21,015	43,112
Security wages	6,458	9,399
Supplies	8,104	6,839
	156,233	174,862
Income from operations	\$ 131,057	\$ 192,253

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

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