Marble Mountain Development Corporation

Annual Report 2018-19

Newfoundland Labrador

Tourism, Culture, Industry and Innovation

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Message from the Chair

As Interim Chair of the Marble Mountain Development Corporation, I am pleased to submit the Annual Report for the period May 1, 2018 to April 30, 2019. The annual plan 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.

This year was a challenging one for the organization. I extend my thanks to the Marble Mountain Development Corporation management and staff for working hard to continue to support the tourism industry on the west coast.

Marble Mountain Resort is a key piece of tourism infrastructure in Newfoundland and Labrador; ensuring its financial sustainability is a priority for the Provincial Government.

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

Sincerely,

Carmela Murphy, Interim Chair

Marble Mountain Development Corporation

Overview

The Marble Mountain Development Corporation (MMDC) was established in April 1988 as a Crown corporation to plan and oversee the development of Marble Mountain as a destination attraction with the potential for multi-season operations. In 2018/19 the MMDC worked with the Department of Tourism, Culture, Industry and Innovation on efforts to attract private sector investment.

MMDC employs approximately 145 staff with the majority being winter seasonal employees.

Windy weather conditions created a challenge for the 2019 ski season. This past season Marble operated for 72 days, on par with the 2018 ski season (73 days). Despite efficiencies and cost saving measures at the facility, Marble's general revenue declined due to lower skier visits. Total skier visits were down 18 per cent from last year (48,383). Sales revenue was just over $2 million, down 18 per cent from the previous year

MMDC's audited financial statements for the year ended April 30, 2019 are provided in Appendix B.

For the 2018/19 operating season, the Provincial Government provided $1,206,400 in grants.

Governance

MMDC is governed by a Board of Directors appointed by the Lieutenant-Governor in Council in accordance with the requirements of the **Corporations Act**. The Board has by-laws to guide its operations and is accountable to the Provincial Government through the Minister of Tourism, Culture, Industry and Innovation. The Corporation is under the guidance of a transitional board. The interim chair of the board is Carmela Murphy and other members of the board as of April 30, 2019 included:

- Department of Tourism, Culture, Industry and Innovation Representatives: Carol-Ann Gilliard, Gillian Skinner, Brent Decker and Jeff Mercer
- Department of Finance Representative: Craig Martin

Mandate

The mandate of MMDC is to market and promote the Marble Mountain Resort area to local users, visitors to the province, and potential business operators and to support the further development of the lands and facilities for commercial tourism operations by private interests.

Highlights and Partnerships

In 2018-19 MMDC continued to expand and support partnerships and host events at the ski hill.

Event	Partnership / Highlights
The 5km Foam Fest	MMDC partnered with 365 Sports to bring North America's number one Fun Run to Marble Mountain. Two thousand five hundred athletes and approximately 4,000 people attended for the day.
Haunted Open House and Used Gear Sale	Partnered with the Marble Mountain Alpine Race Team for the Used Gear Sale. Collected money and non-perishable goods for the local food bank with the Haunted House.
Family First NYE Event	Sliding, family games, musician, fireworks. Heavy focus on family-friendly option for New Year's Eve in the western region.
Corner Brook Winter Carnival	MMDC partnered with Corner Brook Winter Carnival to promote winter family fun activities. MMDC offered a Family Night Riding Event, Family Tubing, and Groomer Rides at low cost.
The Jibest Fest Weekend	Partnered with Brent McNamara Events for Jibfest. Saturday Night 19+ DJ Main Event, Sunday 19+ Comedy Show.

The Food Banked Slalom	Partnered with Spicy Caesar, J. Osmond Design and the local food bank to offer a first-time event at Marble Mountain.
6th Annual Shriner's Cardboard Box Derby Race	Partnered with the local Shriners Club to host the increasingly popular cardboard box derby.
Season Ending Slush Cup	Partnered with Wingin' It Corner Brook to offer a popular event at Marble with excellent prizing.
Western Sno-Riders Race on the Rock Weekend	Worked in tandem with the Western Sno-Riders to host an incredible weekend that focuses heavily on snow sports.

Report on Performance

Issue One: Improving Operational Efficiency and Sustainability

MMDC is committed to achieving operational efficiency and sustainability and will work towards achieving this through improving its visitor experience, new marketing and operating strategies and new business partnerships to develop the base area of Marble Mountain Resort.

Goal: By April 30, 2020, MMDC will have implemented a three-year strategy for reducing operational expenditures, increasing revenues and will have identified investor interest in the operations and future development of the base area of Marble Mountain Resort.

Objective: By April 30, 2019, MMDC will have identified private investor interest in the operation of existing facilities and/or new development of the base area.

Indicator 1: Released a public Request for Proposals to seek private sector investment opportunities for Marble Mountain Ski Resort.
MMDC issued a Request for Proposals in June 2018 to seek private sector development interest. Three responses are currently under assessment.

2019-2020 Objective/Indicator

Objective: By April 30, 2020, MMDC will have implemented the three year strategy for reducing operational expenditures and increasing revenue.

Indicator: Reviewed and assessed proposals and options for development, operations, alternative management, and the potential lease or sale or other investment opportunities for the Marble Mountain resort.

APPENDIX A: VISITOR STATISTICS

Historical Overview of Selected Key Indicators 2015-16 to 2018-19

Indicator	2015-16	2016-17	Annual % [4]	2017-18	Annual %[4]	2018-19	Annual %[4]
Skier Visits[1]	63,870	63,176	-1.1	59,402	-6.0	48,383	-18.5
Ski Days[2]	74	92	+24.3	73	-20.7	72	-1.37
Average Per Ski Day[3]	863	687	-20.4	814	+18.5	672	-17.44

[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 % is the Increase (+) or Decrease (-) compared to the previous year.

Start Dates

2015-16: January 8th
2016-17: December 31st
2017-18: January 6th
2018-19: January 5th

APPENDIX B: AUDITED FINANCIAL STATEMENTS

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

APRIL 30, 2019

BONNELL
COLE
JANES

STATEMENT OF RESPONSIBILITY

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

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

The Board of Directors met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

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

Tony Abbott
Chief Operating Officer

oct 8/2019
Date

Steve Avery
Manager of Finance and Administration

OCT 8, 2019
Date

BONNELL COLE JANES

BONNELL COLE JANES
Chartered Professional Accountants
2 HUMBER ROAD, CORNER BROOK,NL A2H 1C6 (709) 639-7501 FAX 639-9220 EMAIL info@bcj.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Marble Mountain Development Corporation

Opinion

We have audited the financial statements of Marble Mountain Development Corporation (the Corporation), which comprise the statement of financial position as at April 30, 2019 and the statement of operations, changes in net financial assets (debt) and cash flows for the year ended April 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
>
> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
>
> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
>
> Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Corner Brook
Newfoundland and Labrador
October 3, 2019

Bonnell Cole Janes

CHARTERED PROFESSIONAL ACCOUNTANTS

BCJ BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	$ 4,459	$ 4,259
Accounts receivable (Note: 3)	78,364	82,070
	82,823	86,329
LIABILITIES		
Bank indebtedness (Note: 8)	1,238,384	1,255,433
Accounts payable and accrued liabilities (Note: 5)	194,647	353,431
Deferred revenue (Note: 7)	43,005	40,271
Obligations under capital lease (Note: 6)	166,772	235,877
	1,642,808	1,885,012
NET FINANCIAL ASSETS (NET DEBT)	(1,559,985)	(1,798,683)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	11,829,967	13,152,634
Inventories held for use (Note: 2)	31,147	31,788
Prepaid expenses (Note: 4)	86,322	86,371
	11,947,436	13,270,793
ACCUMULATED SURPLUS	$10,387,451	$11,472,110

APPROVED ON BEHALF OF BOARD:

See accompanying notes to the consolidated financial statements

BCJ BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2019

	Budget	2019	2018
REVENUE			
Lift operations (Schedule 2)	$ (647,819)	$ (591,494)	$ (595,100)
Rental and repair shop (Schedule 3)	101,026	87,965	99,570
Food and beverage (Schedule 4)	146,373	66,721	92,655
Ski school (Schedule 5)	(16,900)	211	(24,578)
Marketing (Schedule 6)	(150,000)	(94,512)	(97,895)
Marble Villa (Schedule 7)	188,388	74,340	192,087
	(378,932)	(456,769)	(333,261)
EXPENDITURES			
Labour	190,000	164,976	183,224
Interest on short-term debt	55,171	63,800	50,204
Administration	35,806	43,255	19,212
Professional Fees	28,199	21,325	21,005
Communications	14,881	13,697	13,445
Interest and bank charges	3,258	9,538	8,285
Miscellaneous	6,890	5,237	4,825
Interest on capital lease obligations		2,979	3,523
Travel and conference fees	5,530	2,238	2,796
Donations	564		
Bad debts			11,794
	340,299	327,045	318,313
EXCESS OF EXPENDITURES OVER REVENUE BEFORE CAPITAL GRANT, AMORTIZATION & OTHER	(719,231)	(783,814)	(651,574)
OTHER OPERATING:			
Gov. transfers-operating grant (Note:9)	306,400	656,400	706,400
Gov. transfers-marketing partnership (Note:9)	150,000	150,000	150,000
Flooding repairs		(88,330)	(44,129)
	456,400	718,070	812,271
EXCESS OF EXPENDITURES OVER REVENUE BEFORE CAPITAL GRANT, AMORTIZATION & OTHER	(262,831)	(65,744)	160,697
CAPITAL GRANT, AMORTIZATION & OTHER:			
Gov. transfers - capital grant (Note:9)	300,000	400,000	400,000
Amortization of tangible capital assets		(1,430,712)	(1,425,337)
Gain on disposal of tangible capital assets		11,797	3,457
	300,000	(1,018,915)	(1,021,880)
ANNUAL SURPLUS (DEFICIT)	$ 37,169	(1,084,659)	(861,183)
ACCUMULATED SURPLUS, beginning of the year		11,472,110	12,333,293
ACCUMULATED SURPLUS, end of the year		$ 10,387,451	$ 11,472,110

See accompanying notes to the consolidated financial statements

BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
FOR THE YEAR ENDED APRIL 30, 2019

	Budget	2019	2018
ANNUAL SURPLUS (DEFICIT)	$ 37,169	$ (1,084,659)	$ (861,183)
Acquisition of tangible capital assets	(300,000)	(118,368)	(178,961)
Amortization of tangible capital assets		1,430,712	1,425,337
Loss (gain) on disposal of tangible capital assets		(11,797)	(3,457)
Proceeds on sale of tangible capital assets		22,120	3,457
(Increase) decrease in prepaid expenses		49	(3,000)
(Increase) decrease in inventories		641	(1,046)
	(300,000)	1,323,357	1,242,330
CHANGE IN NET FINANCIAL ASSETS	$ (262,831)	238,698	381,147
NET DEBT, BEGINNING OF THE YEAR		(1,798,683)	(2,179,830)
NET DEBT, END OF THE YEAR		$ (1,559,985)	$ (1,798,683)

See accompanying notes to the consolidated financial statements

BONNELL COLE JANES
Chartered Professional Accountants

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2019

	2019	2018
OPERATING ACTIVITIES		
Annual surplus (deficit)	$ (1,084,659)	$ (861,183)
Changes in non-cash items:		
Accounts receivable	3,706	610,939
Inventories	641	(1,046)
Prepaids	49	(3,000)
Accounts payable and accrued liabilities	(158,784)	(169,687)
Deferred revenue	2,734	(14,244)
Loss (gain) on disposal of tangible capital assets	(11,797)	(3,457)
Amortization	1,430,712	1,425,337
Cash provided (used) in operating activities	182,602	983,659
CAPITAL ACTIVITIES		
Proceeds on sale of tangible capital assets	22,120	3,457
Cash used to acquire tangible capital assets	(118,368)	(178,961)
Cash provided (used) in capital activities	(96,248)	(175,504)
FINANCING ACTIVITIES		
Repayment of obligations and capital leases	(69,105)	(116,482)
Cash provided (used) in financing activities	(69,105)	(116,482)
INCREASE IN CASH	17,249	691,673
CASH DEFICIENCY, beginning of the year	(1,251,174)	(1,942,847)
CASH DEFICIENCY, end of the year	$ (1,233,925)	$ (1,251,174)
CASH CONSISTS OF:		
Cash on hand	$ 4,459	$ 4,259
Bank indebtedness	(1,238,384)	(1,255,433)
	$ (1,233,925)	$ (1,251,174)

See accompanying notes to the consolidated financial statements

BCJ BONNELL COLE JANES Chartered Professional Accountants

1. Status of the Marble Mountain Development Corporation

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

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

2. Significant Accounting Policies

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

(a) Basis of Accounting

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

(b) Financial Assets

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

(c) Non-Financial Assets

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

(d) Inventories

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

(Cont'd)

2. Significant Accounting Policies (Cont'd)

(e) Government Transfers

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

(f) Tangible Capital Assets

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

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

(g) Revenue Recognition

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

(h) Use of Estimates

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

(Cont'd)

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

2. Significant Accounting Policies (Cont'd).

(i) Leased assets

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

(j) Cash

	2019	2018
Cash is comprised of the following:		
Cash on hand	$ 4,459	$ 4,259

3. Accounts Receivable

	2019	2018
Trade receivables	$ 78,364	$ 76,471
HST rebate		2,086
Other receivables		3,513
	$ 78,364	$ 82,070

4. Prepaid expenses

	2019	2018
Insurance	$ 77,786	$ 79,090
Computer maintenance	5,266	5,346
Advertising	1,493	1,493
Lease deposit	1,777	442
	86,322	$ 86,371

5. Accounts Payable and Accrued Liabilities

	2019	2018
Accounts payable	$ 102,157	$ 329,406
Government remittances payable	82,548	10,107
Other payables	9,942	13,918
	$ 194,647	$ 353,431

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6. Obligations under capital lease

	2019	2018
National Leasing lease bearing interest at 0% per annum, repayable in monthly payments of $6,399. The lease matures March 1, 2021 and is secured by a charge over specific equipment.	$ 93,828	$ 170,619
National Leasing lease bearing interest at 6.485% per annum, repayable in monthly payments of $1,532. The lease matures on January 1, 2021 and is secured by a charge over specific equipment.	30,340	46,196
National Leasing lease bearing interest at 0% per annum, repayable in monthly payments of $384. The lease matures on January 1, 2020 and is secured by a charge over specific equipment.	3,074	7,685
National Leasing lease bearing interest at 0% per annum, repayable in monthly payments of $1,685. The lease matured on November 1, 2018 and was secured by a charge over specific equipment.		11,377
National Leasing lease bearing interest at 7.79% per annum, repayable in monthly payments of $1,335. The lease matures on January 1, 2022 and is secured by a charge over specific equipment.	39,530	
	$ 166,772	$ 235,877

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

2020	$ 110,188
2021	45,222
2022	11,362
	$ 166,772

7. Deferred Revenue

The organization has on deposit funds collected for events not yet held and unused gift cards sold. There is also nonmonetary consideration received for advertising revenue not yet earned. The balance of $43,005 will be recognized in revenue in 2020.

8. Bank Indebtedness

The line of credit has an authorized limit in the amount of $2,087,000 (2017 - $2,087,000) and bears an interest at the bank's prime rate. It is secured by a Provincial Government guarantee and a letter of indemnity and an overdraft agreement signed by the Board of Directors.

	2019	2018
Current bank account (overdraft)	$ 111,045	$ 122,283
Operating line of credit	1,127,339	1,133,150
	$ 1,238,384	$ 1,255,433

9. Government transfers

	2019	2018
Provincial administrative operating grant	$ 656,400	$ 706,400
Capital grants	400,000	400,000
	1,056,400	1,106,400
Provincial marketing grant	150,000	150,000
	$ 1,206,400	$ 1,256,400

10. Patrol operating expenses

	2019	2018
Labour	$ 83,973	$ 84,162
Supplies	12,521	11,517
Telephone	819	824
Radio rental	2,690	1,320
Sundry	1,912	990
	$ 101,915	$ 98,813

11. Financial instrument risk management

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

Credit risk

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

(Cont'd)

11. Financial instrument risk management (Cont'd)

At year end, the amounts outstanding are as follows:

	2019	2018
Current	$ 7,089	$ 10,702
31 to 60 days	5,255	16,151
61 to 90 days	5,255	11,278
Over 90 days	60,765	43,939
	$ 78,364	$ 82,070

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

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

Liquidity Risk

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

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

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

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

Fair value

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

12. Comparative Figures

Some of the 2018 figures presented for comparative purposes have been restated to conform with the financial statement presentation adopted in the current year.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED

APRIL 30, 2019

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED APRIL 30, 2019
SCHEDULE 1

	Area Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Equipment under Capital Lease	Furniture and Fixtures	Lifts	Rental Equipment	Signs	Uniforms	Totals 2019	Totals 2018
Cost												
Opening costs	$ 10,767,200	$ 10,943,449	$ 8,572,898	$ 194,477	$ 1,055,817	$ 870,797	$ 7,499,470	$ 202,329	$ 96,781	$ 13,190	$40,216,408	$40,045,904
Additions during the year	24,932				62,223	12,760		18,453			118,368	178,961
Disposals and write downs					(61,922)			(2,618)			(64,540)	(8,457)
Closing costs	10,792,132	10,943,449	8,572,898	194,477	1,056,118	883,557	7,499,470	218,164	96,781	13,190	40,270,236	40,216,408
Accumulated Amortization												
Opening accumulated amortization	8,622,660	5,735,228	7,909,600	171,024	656,570	851,648	2,844,972	173,095	96,781	2,198	27,063,776	25,646,894
Amortization	359,322	273,586	429,562	9,381	84,215	7,521	245,390	17,338		4,397	1,430,712	1,425,337
Disposals and write downs					(51,601)			(2,618)			(54,219)	(8,457)
Closing accumulated amortization	8,981,982	6,008,814	8,339,162	180,405	689,184	859,169	3,090,362	187,815	96,781	6,595	28,440,269	27,063,774
Net Book Value of Tangible Capital Assets	$ 1,810,150	$ 4,934,635	$ 233,736	$ 14,072	$ 366,934	$ 24,388	$ 4,409,108	$ 30,349	$	$ 6,595	$11,829,967	$13,152,634

BONNELL COLE JANES

See accompanying notes to the consolidated financial statements

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 2
SCHEDULE OF LIFT OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2019

	2019	2018
REVENUE		
Season passes	$ 408,898	$ 512,246
Lift tickets	381,716	396,822
Miscellaneous	72,027	63,118
Locker rental	43,725	43,725
Children's Centre	14,719	10,608
	921,085	1,026,519
EXPENDITURES		
Snow making		
Electricity	84,378	77,363
Equipment maintenance	15,595	45,145
Labour services	291	701
Maintenance		
Building	65,683	74,522
Slopes	27,749	35,507
Vehicle operating		
Fuel	62,479	56,327
Repairs	34,159	51,420
Labour	440,615	496,227
Management contract	145,600	145,600
Heating and electricity	130,586	118,153
Insurance	118,262	120,067
Patrol expenses (Note 10)	101,916	98,813
Lift repairs	83,619	102,426
Snow clearing	51,515	46,320
Supplies	31,601	25,646
Municipal fees	27,826	27,826
Interest and bank charges	26,298	31,367
Miscellaneous	20,252	28,320
Communications	16,331	12,475
Children's centre	13,128	13,176
Uniforms	7,495	4,195
Equipment rental	6,902	9,724
Security	299	299
	1,512,579	1,621,619
DEFICIT FROM OPERATIONS	$ (591,494)	$ (595,100)

See accompanying notes to the consolidated financial statements

BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 3
SCHEDULE OF RENTAL AND REPAIR SHOP OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2019

	2019	2018
REVENUE		
Rentals	$ 145,296	$ 164,198
Repairs	8,537	10,538
	153,833	174,736
EXPENDITURES		
Labour	60,443	68,736
Interest and bank charges	3,269	3,403
Supplies	1,745	2,287
Communications	411	508
Miscellaneous	-	232
	65,868	75,166
SURPLUS FROM OPERATIONS	$ 87,965	$ 99,570

See accompanying notes to the consolidated financial statements

BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 4
SCHEDULE OF FOOD AND BEVERAGE OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2019

	2019	2018
REVENUE	$ 501,870	$ 691,036
COST OF SALES	203,010	285,786
GROSS PROFIT	298,860	405,250
EXPENDITURES		
Labour	177,142	240,462
Supplies	16,996	20,836
Interest and bank charges	11,379	11,200
Entertainment	7,407	18,360
Miscellaneous	5,732	7,907
Repairs and maintenance	5,729	3,891
Security	5,023	6,735
Utilities	1,368	1,368
Communications	1,363	1,336
Licenses and fees		500
	232,139	312,595
SURPLUS FROM OPERATIONS	$ 66,721	$ 92,655

See accompanying notes to the consolidated financial statements

BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

SCHEDULE 5
SCHEDULE OF SKI SCHOOL OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2019

	2019	2018
REVENUE	$ 124,351	$ 114,061
EXPENDITURES		
Labour	113,734	124,596
Krunchers Club	3,493	6,813
Training	2,796	720
Miscellaneous	1,849	2,848
Supplies	1,153	2,813
Communications	978	849
Uniforms	137	
	124,140	138,639
SURPLUS (DEFICIT) FROM OPERATIONS	$ 211	$ (24,578)

See accompanying notes to the consolidated financial statements

BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 6
SCHEDULE OF MARKETING OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2019

	2019	2018
REVENUE		
Sponsorships	$ 19,500	$ 20,500
Advertising	6,371	7,728
Miscellaneous		1,385
	25,871	29,613
EXPENDITURES		
Labour	54,994	45,621
Marketing	45,694	58,186
Office and postage	12,146	16,413
Communications	2,871	2,982
Uniforms	2,013	
Membership fees	1,380	3,509
Supplies	1,285	684
Miscellaneous		60
Travel and meetings		53
Partnership contributions		
	120,383	127,508
DEFICIT FROM OPERATIONS - BEFORE MARKETING GRANT	(94,512)	(97,895)
Marketing grant (Note: 9)	150,000	150,000
SURPLUS FROM OPERATIONS	$ 55,488	$ 52,105

See accompanying notes to the consolidated financial statements

BONNELL COLE JANES

MARBLE MOUNTAIN DEVELOPMENT CORPORATION
SCHEDULE 7
SCHEDULE OF MARBLE VILLA OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2019

	2019	2018
REVENUE		
Occupancy	$ 278,806	$ 410,265
Miscellaneous	26	450
	278,832	410,715
EXPENDITURES		
Labour	84,433	89,036
Heat and light	37,129	35,402
Insurance	20,000	18,803
Repairs and maintenance	15,502	14,818
Interest and bank charges	14,508	18,048
Communications	11,349	8,759
Supplies	9,300	9,499
Miscellaneous	7,121	16,130
Cable television	4,067	6,846
Marketing	700	1,142
Laundry	383	145
	204,492	218,628
SURPLUS FROM OPERATIONS	$ 74,340	$ 192,087

See accompanying notes to the consolidated financial statements

BCJ BONNELL COLE JANES

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