



**MARBLE MOUNTAIN DEVELOPMENT CORPORATION
2007-08 Annual Report**



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CHAIRPERSON'S MESSAGE

I am pleased to present the Annual Business Report for the 2007-08 fiscal year for Marble Mountain Development Corporation (MMDC). The Corporation's mandate has been generally summarized to state that the Corporation is to develop the ski facility into a four-season anchor attraction to serve as a catalyst for tourism development both locally and in the province as a whole. Year-round tourism related businesses, including Marble Inn and Cabins and Marblewood Village Resort, have developed because of Marble Mountain's existence and contribute to the Province becoming a multi-season tourism destination. Becoming a multi-season tourism destination is the strategic direction from the Minister of Tourism, Culture and Recreation that relates directly to MMDC.

Customer service is our priority. This ensures that our guests have a memorable experience at Marble Mountain Resort and keep coming back. During the 2007-08 season, skier visits to Marble Mountain reached a record 95,270, an impressive 20% increase over the previous season.

The Board of Directors, management and staff at Marble Mountain have worked collectively to ensure that we continue to be a premier tourism attraction and valuable asset for the people of Newfoundland and Labrador. Consequently I wish to thank the management, staff and Board of Directors for their roles in implementing the mandate of the Corporation and in the success of the past year.

The 2007-08 annual business report for the Marble Mountain Development Corporation is submitted in accordance with the Government of Newfoundland and Labrador's commitment to accountability and transparency. The MMDC Board is accountable for the preparation of this report and the actual results reported herein.



Jamie Schwartz, Chairperson

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. As stated in the MMDC 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

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. There has been no further development of the base area.

MMDC's management team consists of four full-time managers overseeing the year-round operation. During the ski season, an Outside Operations Manager, Snow School Director and Ski Patrol Manager are hired (*appendix A*). The management team is currently comprised of three females and one male with three additional males joining the team for the ski season. Approximately 100 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 present Board of Directors consists of eight directors. 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 businesses. 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. Mr. Jamie Schwartz was appointed Chair of the Board in January 2008. There are currently two vacant board positions.

Skier visits to Marble Mountain have been steadily increasing, reaching 95,270 in 2007-08. Revenue was \$2,780,000 before Government funding (\$400,000) while expenses were \$2,910,000. The financial performance resulted in a \$340,000 improvement over last year's net. The 2007-08 ski season was 120 ski days (from December 22 to April 20), the longest season on record.

Vision

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

Safety is top priority at Marble Mountain Resort. The outside operations crew follow a stringent maintenance plan and the lifts and machinery are regularly inspected to ensure they are in safe running order. A risk management specialist from Gougeon Insurance visited the mountain on March 1, 2007 and reported that "Marble Mountain is a well run ski area. The mountain operation's staff works well as a team and many have had a long association with the resort. The facilities staff is also part of the professional team and contributes significantly to the Marble experience. The benefits of such relationships are obvious in this operation."

Mission

The MMDC Board recognizes that most ski resorts do not survive on skiing alone. Other revenue streams such as real estate development and additional year-round activities could enable Marble Mountain to improve its financial performance.

The MMDC Board has the following as its mission statement:

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

Measure:

Improved financial performance

Indicators:

- Increased visitation
- Increased yield per visitor
- Controlled expenses
- Maintained visitor satisfaction
- Increased revenues from sources (other than alpine services)

Lines of Business

Alpine Activities and Services

Skiing and Snowboarding are still the primary activities at the resort. While Snow Tubing was introduced in the 2005-06 season, it was discontinued in 2007-08 because it did not meet the financial objectives. Chair lift rides are offered in the winter season. Disabled skiing, through the Canadian Association of Disabled Skiing is offered weekly throughout the 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 our resort brochure.

Retail space is currently leased to George's Mountain Village. Their business at Marble Mountain, which operates during the ski season only, sells ski 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, concerts such as Marble Jam and Bacardi Gras 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.

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 and it is as follows:

Newfoundland and Labrador becoming 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 will be the primary activity, 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. Marble Mountain, its travel packagers and the Western Destination Marketing Organization attended the Toronto Ski and Snowboard Show from October 11-14, 2007. Visitation from locations in Newfoundland and Labrador more than two hours from the mountain, increased by seven per cent in 2007-08 while visitation from Atlantic Canada decreased by six per cent. Skier visits from mainland Canada, other than the Atlantic region, increased by 36 per cent.

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 uses Marble Mountain as a primary component of its marketing and investment attraction program. Marble Inn and Cabins, a locally owned business has recently expanded to include a restaurant, indoor pool and fitness centre to take advantage of the heightened interest in Marble Mountain and the Humber Valley region. FK Development of Ireland has plans for a hotel/condominium project for a parcel of land just across the highway from Marble Mountain Resort. KSAB Construction has built condominiums in the area.

HIGHLIGHTS AND ACCOMPLISHMENTS



Longest Season on Record

Each ski season, Marble Mountain's official opening date is December 26 but if conditions allow, the resort opens earlier. The 2007-08 season opened early, December 22, with excellent ski conditions on the mountain. We were able to create a substantial man-made base due to the performance of our upgraded snowmaking

system and cold temperatures in December. As well, natural snow was abundant. We were able to open runs from the top of the mountain during the Christmas vacation period which resulted in increased skier visitation and a sold-out New Year's Eve Party. Early and consistent Christmas openings with quality conditions, instill confidence in destination skiers and snowboarders. Marble Mountain's quality ski product is integral to the Department of Tourism, Culture and Recreation's strategic direction for the Province to become a multi-season tourism destination. The season ended with perfect spring conditions on April 20, our anticipated closing date. The 2007-08 season is the longest season on record (120 days) which augers well for season pass sales in 2008-09.

Increase in Skier Visits

Our 2007-08 skier visits increased by 20 per cent over the previous season, reaching 95,270. Skier visits are calculated by adding the total number of day-passes to the total number of season passes which are multiplied by 23 (the average number of visits per season pass). Season pass sales increased by 27 per cent and day pass sales increased by seven per cent over the previous season.

Ninety-four percent of season passes were purchased by residents of Newfoundland and Labrador. Five per cent were bought by skiers and snowboarders from the UK and Ireland. Residents of Newfoundland and Labrador also make up the highest percentage of purchasers of day passes – 68 per cent. Guests from Europe bought 19 per cent of day lift passes, up from 17 per cent. More visitors from the UK and Ireland are purchasing season passes because of their great value. If you plan to ski seven or more times, purchasing a season pass is more economical. Season passes are also convenient in that season pass holders do not have to line-up to purchase day passes each time they visit Marble Mountain. Many of the visitors from these locations travel on the Humber Valley charter from Gatwick to Deer Lake and stay for at least one

week, so purchasing a season pass on-line at www.skimarble.com offers convenience and better value.

Enhanced Web Marketing

Marble Mountain's website is well-designed and informative and is an important marketing tool. This season we enhanced our online marketing. The purpose of the project was to increase visits through search engines, that is visits from people who may not know about Marble Mountain. The site experienced a 5.35 per cent increase in traffic from search engines. Another goal was to increase new and unique visits and these increased by 11 per cent and 14 per cent respectively.

The website exposes both Marble Mountain and the Province to tourists around the world. In addition to promoting the resort itself, the site features information on other tourism attractions and related services in the region. As part of Marble Mountain's work plan, this activity supports the DTCR's strategic direction of marketing Newfoundland and Labrador as a multi-season tourism destination.

Irish Invasion

A group of HVR chalet owners organized a charter direct from Ireland, in March 2008. This flight sold out very quickly and the approximately 230 passengers rented gear, bought passes, purchased food and kept our Snow School busy. The arrival of this charter was a highlight of the season. The business derived from it was very positive for Marble Mountain and highlighted the potential of the European market's impact.

Marble Mountain is developing the reputation for being a unique resort destination partly because of the hospitality that Newfoundland & Labrador is famous for. The resort's staff has, as its primary goal, superior customer service. This results in return visits. Marble Mountain participates in the Canadian Ski Council's demographic survey, in part, to acquire information to allow us to respond to our guests needs.

Terrain Park Improvements

Again this season, our Terrain Park was bigger and better yet there is still room for improvement. Throughout the season our staff met with users of the park to get their input as to how to improve it even further. The park is utilized by mostly young skiers and snowboarders who like to ride rails, jump and spin. They are always looking for something new. A sophisticated, well-designed Terrain Park could be used to market the mountain.

Snow School Registration

2007-08 was a banner year for Snow School with all the season-long children's ski programs fully subscribed. Our Snowboard Riders' Program experienced growth as well. Our guests, particularly those from the UK, were impressed with the skill level of our instructors. Many commented on the progress they were able to make under the tutelage of Marble Mountain's instructors. Marble Mountain's programs for young children are very well organized and provide opportunities for participation in healthy activities.

Free Skiing and Snowboarding for Super Seniors

Skiers and snowboarders 80 years of age and older can enjoy Marble Mountain's ski slopes for free. Season passes and day lift tickets were already discounted for those 65 and over. An increasing number of healthy seniors are enjoying the slopes and the decision was made to offer free access to skiers and snowboarders 80 and over. The response was very positive.

Events

Marble Mountain partnered with Steele Communications to produce Marble Jam in Aid of Daffodil Place, a concert with all gate proceeds going to the Daffodil Place fundraising efforts. It was a sell-out, the crowd enjoyed an evening of traditional music by Shanneyganock and \$6000 was raised for the worthy cause that will benefit many Newfoundland and Labradorians. Other winter events included Snowmobile races, Winter Carnival activities, Easter events and end of season fun including barbecues, Slush Pit competition and Dummy Races. All events were very well attended.

OUTCOMES OF OBJECTIVES



1. Resort Infrastructure

Ski Resort infrastructure is very expensive and Marble Mountain's infrastructure is aging. Some of our capital assets will need to be replaced. The lodge requires maintenance. There were big plans for Marble Mountain in the 1990s but those plans were put on hold after the construction of the lodge and

Marble Villa and the installation of the high-speed detachable quad chair lift. If Marble Mountain is to continue to provide world class skiing it has to continue to develop while maintaining or upgrading existing infrastructure. The capital strategy plan developed by MMDC, identifies Marble Mountain's most urgent capital needs.

Goal One: By 2008, the Marble Mountain Development Corporation will have developed a capital strategy plan.

Measure:

Capital strategy plan

Indicators:

- Funding requirements identified
- Document developed
- Priority areas identified

Results and Benefits:

The MMDC Board of Directors and Management developed a Three Year Capital Strategy Plan which identified priority areas and funding requirements. The three year plan for 2008-09 to 2010-2011 includes lodge upgrades, night lighting expansion, lift system installation, slope development and kitchen and bar improvements. These projects are estimated to cost \$1,692,000. The Three Year Capital Strategy Plan was submitted to the Department of Tourism, Culture and Recreation for consideration.

2. Terrain Underdevelopment

The MMDC Board had identified two issues regarding slope development. While the resort has access to extensive terrain for further growth, resources have not been committed to this in recent years. As well, user feedback indicated a preference for additional novice terrain. Other suggestions included expansion of alternative off-piste terrain including glades, chutes and parks.

MMDC identified an area on the lower section of the mountain that would significantly increase the novice terrain available to skiers and snowboarders. Improvements to some existing slopes would make traffic flow more streamlined. Improvements to the terrain park were also identified.

Goal Two: By 2008, the Marble Mountain Development Corporation will have identified terrain development options.

Measure:

Identified options

Indicators:

- Options for further terrain development and upgrades are identified, taking into consideration:
 - Current terrain plan
 - Market trends (which will include stakeholder consultations)

Results and Benefits:

Marble Mountain is famous for its consistent pitch from the top of the mountain as well as its ungroomed extreme terrain. What is lacking is novice terrain that would allow skiers and snowboarders to comfortably make the transition from beginner to novice. MMDC identified terrain development options to satisfy our guests and increase the retention rate of those who try skiing and snowboarding. An area on the lower part of the mountain was identified as appropriate terrain for a new run which would allow beginners to achieve success and continue to ski or snowboard. Additionally, a confluence of existing trails has been identified as an area in need of development. Currently, skiers and snowboarders of various levels of ability are forced to use the same terrain to get to the bottom. The option to reroute traffic, by further developing the bottom of the mountain was identified. This terrain development is in MMDC's plans for the 2008-09 season and will greatly enhance Marble Mountain's product.

Expansion and improvements to the terrain park were identified as options that would increase Marble Mountain's appeal to the younger set. Consultations were held with Marble Mountain's terrain park users to give them the opportunity to

provide suggestions for further development of the park. A Face Book group called *Let's Improve Marble Mountain's Terrain Park* provided us with a forum to communicate with stakeholders. Marble's Outside Operations Manager traveled to Quebec and worked with staff at ski resorts there during preparations for terrain park competitions. He also consulted with them on terrain park design. Some improvements were made within the park in the latter part of the season and feedback was very positive. Further developments in the terrain park are planned for the 2008-09 season.

Achievement of this goal will extend into future planning cycles. While the options identified deal with immediate needs, there are many more options for terrain development at Marble Mountain.

3. Underdevelopment of Resort Facilities

When Marble Mountain Development Corporation was formed in 1988, its primary mandate was to develop the facility into a four-season anchor attraction to serve as a catalyst for tourism development both locally and provincially. MMDC has successfully created an attraction that has led to other tourism developments in the Humber Valley, but it has not become a four-season tourism attraction.

The lodge is utilized during the non-ski season for meetings, conventions and weddings. These activities bring in much needed revenue during the off season and are not risky business ventures. The revenue and costs are known up front and only profitable events are booked at the resort.

Part of the MMDC mandate is to make Marble Mountain a four-season resort. The strategic direction of DTCR that relates directly to MMDC is for Newfoundland and Labrador to become a multi-season tourism destination. Enhancing the utilization of Marble Mountain Resort and creating a quality four-season operation contributes to the Province's multi-season tourism product. Initiatives have been introduced in the past with mixed results.

Goal Three: By 2008, the Marble Mountain Development Corporation will have identified options to enhance the utilization of Marble Mountain Resort.

Measure:

Identified options

Indicators:

- All-season utilization options are identified, taking into consideration:
- Costs versus benefits
- Current market trends
- Needs assessment relevant to the region

Results and Benefits:

The achievement of this goal will extend into future planning cycles. In its consideration of options, MMDC identified the need to revisit existing development plans and to create a plan for the future. The Board will be proposing terms of reference for its Development Committee to Government, to ensure that its vision is consistent with Government's. MMDC determined that until a more comprehensive plan is developed it would consider proposals on a case by case basis with no financial risk to the Corporation. The proponents' business plans would include the benefits to MMDC and the region, and would address current market trends.

A proposal from Marble Zip Tours Inc. (MZT) was presented to the MMDC Board. Their unique idea was to install a zipline tour across the Marble Mountain Gorge. This proprietary venture would provide year-round activity for Marble Mountain Resort. The proposal was accepted and MZT was granted a license to use Marble land for a monthly fee. MZT covers all the costs of construction, staffing, training and insurance. This type of adventure tourism activity fits perfectly with the ski resort and provides a year-round activity to complement existing operations.

OPPORTUNITIES AND CHALLENGES



MMDC was established in 1988 to create sufficient resort infrastructure to make the facility attractive to private investors. While the first master plan indicated the necessary improvements required to create a destination resort, the 1994 master plan took development activity to a much higher level. Along with further recommendations to improve the ski facilities, the plan

addressed the need for further developments to make the resort a full-service, all-season complex. This master plan document suggested that most of these facilities should be established by the private sector. While the original vision of golf courses and four-season activity on the Marble Mountain site has not been realized, complementary businesses, such as Humber Valley Resort, Marblewood Village, George's Mountain Village and Marble Inn and Cabins have been developed, in large part, because of Marble Mountain. The development of the base area of the mountain is both an opportunity and challenge. It must work with services already provided by local entrepreneurs and create additional opportunities for private investment. A terrain development strategy is in future plans for MMDC.

Competition from other winter activities such as snowmobiling and cross-country skiing impacts on local participation in alpine sports, although skiing and snowboarding are affordable choices. Marble Mountain's season pass rates are affordable for most alpine sports enthusiasts and our School Alpine Program exposes grade six students to skiing and snowboarding. Marble Mountain also participates in the Grade Five Snow Pass program sponsored by the Canadian Ski Council. This program promotes skiing as a healthy activity. Participating ski areas must provide three free lift passes to grade five participants. This exposure to the sport often results in season pass sales in subsequent years.

The resort's Food and Beverage department has been experiencing significant growth in both ski and summer season operations. However, to ensure continued growth, the kitchen and bar facilities will need renovating and upgrading. Staffing could also become an issue as food and beverage operations expand.

Snow School staff recruitment is a challenge as there are fewer qualified ski and snowboard instructors available for work and there is more competition in the job

market. As well, as the resort demands increase, there is less time for instructors to free ski which is what they love to do. Another factor is that acquiring a free season pass does not have the allure that it used to. Marble is not attractive to young instructors from outside the area because there is no staff housing. We do offer incentives such as family season passes, meal discounts and bursaries.

Affordable direct air access continues to be a challenge. During the 2007-08 season, the Ontario market was compromised by costly and infrequent direct flights. Apart from the Humber Valley Resort charters, European guests are forced to fly to mainland Canada and back to the island which adds significant travel time to their vacations.

A limited marketing budget prevents Marble Mountain from pursuing new markets. Our marketing partnership with the Department of Tourism, Culture and Recreation allows us to successfully market in St. John's and Halifax. The \$200,000 budget is not adequate to reach new audiences. Growth in the UK and Irish markets could be enhanced through marketing but this would be an expensive venture. We are not marketing to the large ski population in Ontario although Marble Mountain sales initiatives, such as attendance at the Toronto Ski and Snowboard Show, have resulted in growth in that market.

Marble Mountain Development Corporation has successfully developed the resort into an attraction that is a cornerstone for the Newfoundland and Labrador winter tourism product and a catalyst for tourism development in the region. The Humber Valley is experiencing economic growth that can be attributed, in large part, to Marble Mountain Ski Resort. MMDC recognizes that the ski resort has to continue to grow to meet the demands of discerning guests who insist on high quality service, good snow conditions and new developments.

In 2007-08 the Marble Mountain Development Board, Management and Staff successfully provided a superior ski product to people from Newfoundland and Labrador and around the world.

APPENDICES

APPENDIX A – MANAGEMENT STRUCTURE

APPENDIX B – VISITOR STATISTICS

APPENDIX C – FINANCIAL OVERVIEW

AUDITED FINANCIAL STATEMENTS

APPENDIX A - MMDC MANAGEMENT STRUCTURE

BOARD CHAIR

MMDC BOARD OF DIRECTORS

GENERAL MANAGER

- Guest Services
- Rental & Repair

Manager of Administration

- Bookkeeper Clerk
- Ticket Counter
- Office Clerk
- Administration/Villa Assistant

Outside Operations Manager (Seasonal)

- Groomer Operators
- Lift Attendants
- Risk Management
- Snowmaking
- Equipment Maintenance

Villa, Marketing & Sales Manager

- Villa Housekeepers
- Villa Live-in Security
- Administration/Villa Assistant

Food & Beverage Manager

- Bar Staff
- Cafeteria Staff
- Maintenance Staff

Snow School Director (Seasonal)

- Snow School Instructors

Pro Patrol Manager (Seasonal)

- Pro Patrol

APPENDIX B - SKIER VISITATION STATISTICS

Season Passes

2006-07	2007-08	Change	% Change
2119	2702	+583	+27%
2119 X 23=48737*	2702X23= 62146*	+13,409	+27%

* The number of skier visits per season pass is estimated to be 23. This figure was derived from a season pass holder survey.

Daily Lift Ticket

2006-07	2007-08	Change	% Change
30,946*	33,124	+2178	+7%

* This number was recorded as 35,321 in previous reports because it included 4375 Tubing Lift Passes. The comparison above is between ski/snowboard Daily Lift Tickets only, because the Tubing Operation ceased at the end of the 2006-07 season.

Daily Lift Ticket Sales by Region

Region	2006-07	2007-08	Change	% Change
Local	13,798	13,018	-780	-6 %
NL	8,371	9,473	+1102	+13%
Atlantic Can.	2,733	2,922	+189	+7%
Canada	521	708	+187	+36%
USA	37	60	+23	+62%
International	5,475	6,370	+895	+16%
Unknown/Comp	11	573	+562	+511%

The comparison above is between ski/snowboard Daily Lift Tickets only, because the Tubing Operation ceased at the end of the 2006-07 season.

Total Skier Visits

2006-07	2007-08	Change	% Change
79,683*	95,270	+15,587	+19.6%

* This number was originally recorded as 84,058 because it included 4375 Tubing Lift Passes. The Tubing Operation ceased at the end of the 2006-07 season.

Marble Mountain Resort participated in the Canadian Ski Council Demographic Survey. The results of the survey show the gender breakdown of visitors to Marble Mountain Resort as follows:

Female 52 per cent
Male 48 per cent

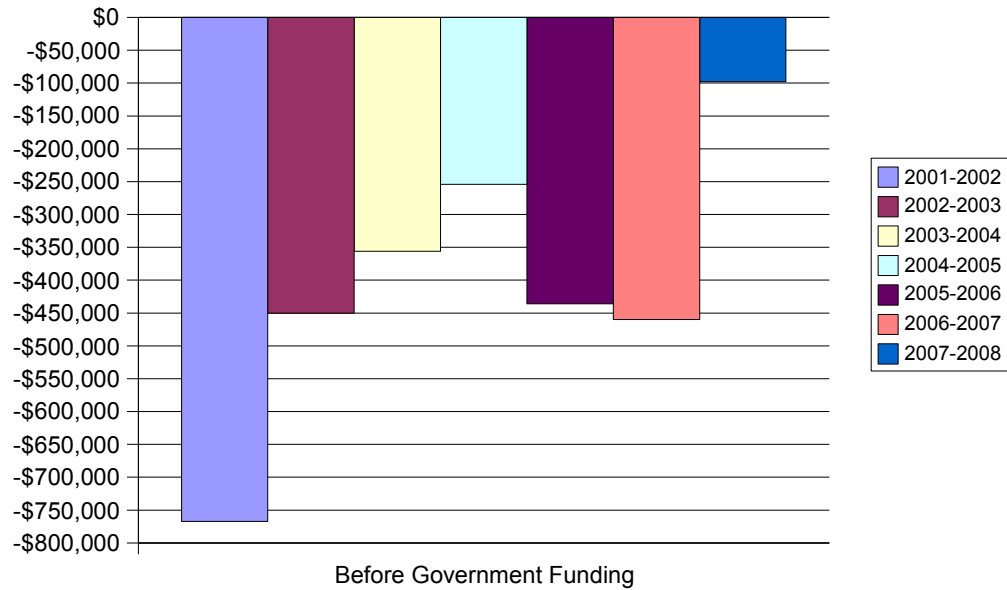
**Marble Mountain Resort
Summary of Skier Visits
1995 - 2008**

Season	Local	Within the Province	Out of Province	Total Visits
1995-96				44,000
1996-97	46,881	10,404	2,447	59,732
1997-98	39,015	11,041	4,478	54,534
1998-99	36,507	7,211	6,031	49,749
1999-00	43,815	6,296	2,489	52,600
2000-01	48,891	9,200	4,483	62,574
2001-02	48,845	7,962	5,701	62,508
2002-03	54,596	9,039	6,532	70,167
2003-04	60,251	8,932	6,066	75,249
2004-05	62,306	10,500	8,518	81,324
2005-06	65,048	7,426	8,260	80,734
2006-07	*63,219	*11,187	*9,652	*84,058
2007-08	62,169	18,719	14,382	95,270

* These numbers include Tubing Passes. The total ski/snowboard visits is actually 79,649 for 2006-07.

APPENDIX C - FINANCIAL OVERVIEW

APPENDIX C - FINANCIAL OVERVIEW



**MARBLE MOUNTAIN DEVELOPMENT
CORPORATION**

AUDITED FINANCIAL STATEMENTS

April 30, 2008

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**AUDITED FINANCIAL STATEMENTS**

April 30, 2008

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SQUIRE & HYNES

Chartered Accountants

57 Park Street, P.O. Box 248, Corner Brook, NL A2H 6C9
Tel: 709-634-8256 Fax: 709-639-1647 Email: accountants@squirehynes.ca

AUDITORS' REPORT

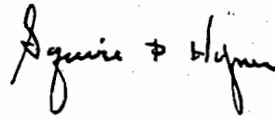
To the Directors of
Marble Mountain Development Corporation

We have audited the balance sheet of Marble Mountain Development Corporation as at April 30, 2008 and the statements of revenue, expenditures and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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 the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

July 9, 2008



Richard C. Squire, C.A., C.B.V.
Kenneth L. Hynes, C.A.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

BALANCE SHEET

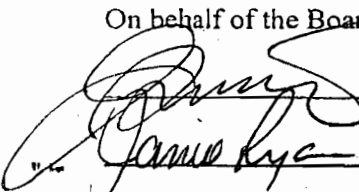
As at April 30, 2008

	2008	2007
ASSETS		
	\$	\$
CURRENT ASSETS		
Cash	2,040	8,599
Accounts receivable	83,596	101,911
Inventory	34,976	36,360
Prepaid expenses	<u>81,754</u>	<u>79,160</u>
	202,366	226,030
PROPERTY, PLANT AND EQUIPMENT (note 1)	17,787,836	18,913,782
DEFERRED CHARGE	<u>24,408</u>	-
	<u>18,014,610</u>	<u>19,139,812</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness (note 2)	1,778,571	1,887,423
Accounts payable and accrued liabilities (note 3)	335,076	309,729
Deferred revenue	13,630	16,169
Current portion of obligations under capital leases (note 4) and long-term debt (note 5)	<u>153,035</u>	<u>111,759</u>
	2,280,312	2,325,080
OBLIGATIONS UNDER CAPITAL LEASES (note 4)	116,265	236,980
LONG-TERM DEBT (note 5)	267,670	300,000
DEFERRED GOVERNMENT ASSISTANCE (note 6)	<u>6,085,611</u>	<u>6,362,146</u>
	<u>8,749,858</u>	<u>9,224,206</u>
SHAREHOLDER'S DEFICIENCY		
SHARE CAPITAL (note 8)	-	-
CONTRIBUTED SURPLUS (note 9)	22,330,703	22,330,703
DEFICIT	<u>(13,065,951)</u>	<u>(12,415,097)</u>
	<u>9,264,752</u>	<u>9,915,606</u>
	18,014,610	19,139,812

Lease commitments (note 11)

Contingent liability (note 12)

On behalf of the Board.


 Director


 Director

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**STATEMENT OF REVENUE, EXPENDITURES AND DEFICIT**

For the year ended April 30, 2008

	2008	2007
	\$	\$
REVENUE		
Income (loss) from operations		
Lift operations – Schedule I	(332,188)	(509,841)
Rental and repair shop – Schedule II	255,170	189,108
Cafeteria – Schedule III	86,277	51,307
Bar – Schedule IV	70,841	42,087
Ski school – Schedule V	74,458	57,726
Events – Schedule VI	19,842	30,061
Marketing – Schedule VII	(90,693)	(101,445)
Marble Villa – Schedule VIII	149,331	135,701
Tube park – Schedule IX	-	(14,152)
Interest income	1,515	1,499
Operating grant (note 7)	<u>400,000</u>	<u>400,000</u>
	<u>634,553</u>	<u>282,051</u>
EXPENDITURES		
Directors' fees (note 13)	11,055	9,421
Advertising	801	577
Labour services	188,914	172,195
Management fees (note 14)	790	6,000
Administration	14,846	12,611
Communications	5,913	7,331
Travel and conference	5,673	1,914
Interest on capital leases	22,324	30,594
Interest and bank charges	96,151	89,093
Professional fees	11,236	7,078
Board and committee meetings	1,777	9,870
Miscellaneous	<u>1,660</u>	<u>647</u>
	<u>361,140</u>	<u>347,331</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE THE UNDERNOTED	<u>273,413</u>	<u>(65,280)</u>
Amortization	924,267	887,279
Write off of property, plant and equipment retired from service during the year (note 13)	<u>-</u>	<u>54,708</u>
	<u>924,267</u>	<u>941,987</u>
EXCESS OF EXPENDITURES OVER REVENUE	<u>(650,854)</u>	<u>(1,007,267)</u>
Deficit at beginning of year		
As previously reported	(906,668)	(786,680)
Prior period adjustment (note 9)	<u>(11,508,429)</u>	<u>(10,621,150)</u>
As restated	<u>(12,415,097)</u>	<u>(11,407,830)</u>
DEFICIT AT END OF YEAR	<u>(13,065,951)</u>	<u>(12,415,097)</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**STATEMENT OF CASH FLOWS**

For the year ended April 30, 2008

	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	2,796,807	2,357,701
Cash paid to suppliers and employees	(2,750,618)	(2,660,854)
Interest received	1,515	1,499
Interest paid	<u>(158,784)</u>	<u>(147,802)</u>
	<u>(111,080)</u>	<u>(449,456)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(79,852)	(70,803)
Proceeds on disposal of property, plant and equipment	<u>4,994</u>	<u>2,042</u>
	<u>(74,858)</u>	<u>(68,761)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in bank indebtedness	(108,852)	225,829
Repayment of capital lease obligations	(111,769)	(103,501)
Operating grant	<u>400,000</u>	<u>400,000</u>
	<u>179,379</u>	<u>522,328</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(6,559)	4,111
Cash and cash equivalents at beginning of year (note)	<u>8,599</u>	<u>4,488</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (note)	<u>2,040</u>	<u>8,599</u>

Note to the statement of cash flows

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

For the year ended April 30, 2008

GENERAL

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.

The principal business activity of the Corporation is managing and controlling the operations of the area known as the Marble Mountain Development area.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventory

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

Property, plant and equipment

Property, plant and equipment 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:

<u>Asset</u>	<u>Useful life</u>
Buildings	15-40 years
Lifts	30 years
Area improvements	30 years
Automotive	3-20 years
Rental equipment	3 years
Computers	3 years
Office furniture and equipment	5 years

Deferred charge

Deferred charge represents the unamortized cost of purchasing uniforms for snow school instructors. Amortization of the deferred charge is provided on the straight-line basis over three 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 property, plant and equipment are accounted for as contributed surplus. Federal government grants and other contributions related to the acquisition of property, plant and equipment 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 property, plant and equipment retired from service are credited against the related property, plant and equipment 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.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued) For the year ended April 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimated.

Revenue recognition

Revenue is accounted for when there is persuasive evidence that an arrangement exists, delivery has occurred, the price is fixed or determinable and collection is reasonably assured.

1. PROPERTY, PLANT AND EQUIPMENT

	2008		2007	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Buildings	10,576,760	3,483,787	7,092,973	7,342,203
Lifts	4,751,553	2,420,053	2,331,500	2,489,885
Area improvements	12,050,748	5,972,604	6,078,144	6,479,835
Vehicles	5,708,756	3,971,164	1,737,592	2,010,699
Furniture and equipment	765,226	711,648	53,578	57,635
Rental equipment	194,105	128,790	65,315	61,435
Computers	5,624	2,812	2,812	4,687
Signs	106,541	106,541	-	-
Equipment under capital lease	529,625	103,703	425,922	467,403
	<u>34,688,938</u>	<u>16,901,102</u>	<u>17,787,836</u>	<u>18,913,782</u>

2. BANK INDEBTEDNESS

	2008	2007
	\$	\$
Outstanding cheques in excess of funds on deposit	35,526	80,568
Line of credit	<u>1,743,045</u>	<u>1,806,855</u>
	<u>1,778,571</u>	<u>1,887,423</u>

The line of credit is authorized in the amount of \$2,100,000 and bears interest at the rate of bank prime less .5%. It is secured by a Provincial Government guarantee and letter of indemnity and overdraft agreement signed by the Board of Directors.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended April 30, 2008

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2008</u>	<u>2007</u>
	\$	\$
Trade	289,027	279,766
Harmonized Sales Tax payable	3,648	9,980
Payroll deductions payable	37,312	17,005
Wages payable	<u>5,089</u>	<u>2,980</u>
	<u>335,076</u>	<u>309,731</u>

4. OBLIGATIONS UNDER CAPITAL LEASES

	<u>2008</u>	<u>2007</u>
	\$	\$
<p>Obligations under capital leases represents the future minimum lease payments discounted at the interest rate implicit in the leases. Interest rates implicit in the capital leases outstanding at April 30, 2008 were 8.6% and 6.77%.</p> <p>The future minimum lease payments required under the lease agreements are as follows:</p>		
	\$	
2009	134,100	
2010	88,732	
2011	<u>33,024</u>	
	255,856	
Less: Amount representing interest	<u>(18,886)</u>	236,970
Principal included in current liabilities		<u>(120,705)</u>
		<u>116,265</u>
		<u>348,739</u>
		<u>(111,759)</u>
		<u>236,980</u>

Principal due within each of the next three years on capital lease obligations is approximately as follows:

	\$
2009	120,705
2010	83,873
2011	<u>32,392</u>
	<u>236,970</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended April 30, 2008

5. LONG-TERM DEBT

	<u>2008</u>	<u>2007</u>
	\$	\$
Department of Innovation, Trade and Rural Development loan, non-interest bearing and repayable in annual installments based on 20% of available cash flow. Due 2015.	300,000	300,000
Less: Amount included in current liabilities	<u>(32,330)</u>	<u>-</u>
	<u>267,670</u>	<u>300,000</u>

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.

6. DEFERRED GOVERNMENT ASSISTANCE – PROPERTY, PLANT AND EQUIPMENT

The Corporation has recorded federal government grants and other contributions related to the acquisition of property, plant and equipment as deferred credits. Amounts are transferred to income annually through the reduction in amortization expense.

	<u>2008</u>	<u>2007</u>
	\$	\$
Balance at beginning of year	6,362,146	6,663,093
Less:		
(a) Amount transferred to income by reduction of amortization expense for the year.	<u>(276,535)</u>	<u>(300,947)</u>
Balance at end of year	<u>6,085,611</u>	<u>6,362,146</u>

7. GOVERNMENT ASSISTANCE AND OTHER CONTRIBUTIONS – OPERATIONS

Province of Newfoundland and Labrador – Operating grant

For the year ended April 30, 2008, an administrative operating grant in the amount of \$400,000 (2007 - \$400,000) was approved and received.

The above contribution is subject to the terms and conditions as outlined in the contribution agreement.

8. SHARE CAPITAL

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended April 30, 2008

9. PRIOR PERIOD ADJUSTMENT

- (a) For the year ended April 30, 2008 the Corporation adopted the policy of providing amortization on property, plant and equipment over the estimated useful life of the various assets. Prior to April 30, 2008 no provision for amortization was made by the Corporation. This change in policy has been retroactively applied and recorded in the accounts for the year ended April 30, 2008 as follows:

\$

Total accumulated amortization to April 30, 2007	15,700,299
Deferred government assistance transferred to income through reduced amortization up to April 30, 2007	<u>(4,191,870)</u>
Total charge to opening deficit	11,508,429
Amortization amount applicable to the year ended April 30, 2007	<u>(887,279)</u>
Amortization amount applicable to years prior to April 30, 2007	<u>10,621,150</u>

- (b) For the year ended April 30, 2008, the Corporation adopted the policy of treating provincial government grants and other contributions towards the purchase of property, plant and equipment as Contributed Surplus. Federal government grants and other contributions towards the purchase of property, plant and equipment are to be recorded as deferred government grants and transferred to income in relationship to the amortization of the assets involved. This change has been recorded at April 30, 2007 as follows:

\$

DEFERRED GOVERNMENT ASSISTANCE

As previously reported	32,884,719
Transfer to contributed surplus	(22,330,703)
Transfer to income through reduction of accumulated amortization	<u>(4,191,870)</u>
Balance as restated (note 6)	<u>6,362,146</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 or Provincial income taxes under the Canadian Income Tax Act.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended April 30, 2008

11. LEASE COMMITMENTS

The corporation leases equipment under long-term operating leases which expire at various times between 2008 and 2010. The future minimum lease payments required under these long-term leases is approximately as follows:

	\$
2009	14,210
2010	7,866

12. CONTINGENT LIABILITY

As at April 30, 2008, a supplier had claimed that the Corporation owed it approximately \$70,005 for services rendered. The Corporation's management feels that the claim is unfounded and the likelihood of any loss resulting therefrom is undeterminable. Therefore, the Corporation has not recorded in its accounts any provision for losses that may result from the claim.

13. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2008, a management fee was paid to the Chairperson of the Board of Directors in the amount of \$790 (2007 - \$6,000). In addition, directors' fees of \$11,055 (2007 - \$9,421) were paid in aggregate to the Board of Directors of the Corporation.

14. PROPERTY, PLANT AND EQUIPMENT RETIRED FROM SERVICE

During the year the Corporation retired property, plant and equipment which were no longer required in the operation. Property, plant and equipment retired from service has been charged to operations.

15. 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 entity is not exposed to significant currency or credit risks from these financial instruments. However, the entity is exposed to interest rate risk on its operating line of credit. The interest rate is variable and is subject to interest rate volatility. The fair values of these financial instruments approximates their carrying values unless otherwise noted.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

SCHEDULE I
STATEMENT OF REVENUE AND EXPENDITURES - LIFT OPERATIONS
For the year ended April 30, 2008

	2008	2007
	\$	\$
REVENUE		
Lift tickets	703,024	599,244
Season passes	525,500	377,089
Tenant - revenue	14,912	14,630
Children's centre	14,899	15,158
Facilities rental	440	1,210
Other	2,361	2,850
	<u>1,261,136</u>	<u>1,010,181</u>
EXPENDITURES		
Management contract	103,575	100,803
Snowmaking		
Electricity	123,340	120,450
Labour services	28,173	38,835
Equipment maintenance	45,814	37,859
Snowgun rental	-	10,936
Vehicle operating		
Repairs	57,609	28,173
Fuel	79,793	63,247
Lift repairs	177,850	141,092
Lift rental	-	10,000
Maintenance		
Equipment	451	479
Building	46,210	48,971
Slopes	33,703	65,535
Labour services	420,610	369,789
Heating and electricity	119,998	108,818
Insurance	118,879	123,455
Ski patrol	77,946	77,586
Supplies	24,001	29,723
Municipal fees	22,006	18,758
Interest and bank charges	34,971	25,850
Security	1,479	2,573
Children's centre	22,831	20,120
Miscellaneous	17,699	20,914
Snowclearing	8,801	16,032
Communications	7,147	17,155
Equipment rental	19,887	17,371
Uniforms	551	1,989
Special Events	-	3,509
	<u>1,593,324</u>	<u>1,520,022</u>
EXCESS OF EXPENDITURES OVER REVENUE	<u>(332,188)</u>	<u>(509,841)</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE II****STATEMENT OF REVENUE AND EXPENDITURES - RENTAL AND REPAIR SHOP
For the year ended April 30, 2008**

	2008	2007
	\$	\$
REVENUE	<u>327,791</u>	<u>255,003</u>
EXPENDITURES		
Labour services	66,980	59,524
Supplies	4,101	3,994
Miscellaneous	249	540
Communications	416	283
Equipment rental	875	1,554
	<u>72,621</u>	<u>65,895</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>255,170</u>	<u>189,108</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE III
STATEMENT OF REVENUE AND EXPENDITURES - CAFETERIA
For the year ended April 30, 2008**

	2008	2007
	\$	\$
REVENUE	341,732	299,472
COST OF SALES	<u>137,932</u>	<u>132,506</u>
GROSS PROFIT	<u>203,800</u>	<u>166,966</u>
EXPENDITURES		
Repairs and maintenance	408	8,928
Miscellaneous	446	495
Supplies	14,052	15,719
Communications	240	347
Labour services	<u>102,377</u>	<u>90,170</u>
	<u>117,523</u>	<u>115,659</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>86,277</u>	<u>51,307</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE IV
STATEMENT OF REVENUE AND EXPENDITURES - BAR
For the year ended April 30, 2008**

	2008	2007
	\$	\$
REVENUE	172,626	146,612
COST OF SALES	<u>56,677</u>	<u>51,655</u>
GROSS PROFIT	<u>115,949</u>	<u>94,957</u>
EXPENDITURES		
Entertainment	8,300	11,775
Repairs and maintenance	696	1,503
Labour services	31,959	30,323
Communications	191	475
Security	727	1,838
Special events	2,399	4,918
Supplies	420	1,557
Licenses and fees	416	481
	<u>45,108</u>	<u>52,870</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>70,841</u>	<u>42,087</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE V****STATEMENT OF REVENUE AND EXPENDITURES - SKI SCHOOL**

For the year ended April 30, 2008

	2008	2007
	\$	\$
REVENUE	<u>198,745</u>	<u>165,016</u>
EXPENDITURES		
Labour services	109,821	90,461
Uniforms	-	6,776
Training	2,848	3,857
Advertising	-	443
Supplies	700	487
Computer lease	366	183
Miscellaneous	1,592	846
Krunchers Club	8,476	3,817
Communications	484	420
	<u>124,287</u>	<u>107,290</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>74,458</u>	<u>57,726</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE VI
STATEMENT OF REVENUE AND EXPENDITURES - EVENTS
For the year ended April 30, 2008**

	2008	2007
	\$	\$
REVENUE	130,410	134,345
COST OF SALES	<u>34,444</u>	<u>31,155</u>
GROSS PROFIT	<u>95,966</u>	<u>103,190</u>
EXPENDITURES		
Labour services	63,091	59,594
Maintenance	704	850
Supplies	3,977	6,658
Miscellaneous	2,125	1,810
Complimentary rooms	-	1,142
Interest and bank charges	5,337	2,215
Communications	<u>890</u>	<u>860</u>
	<u>76,124</u>	<u>73,129</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>19,842</u>	<u>30,061</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE VII****STATEMENT OF REVENUE AND EXPENDITURES - MARKETING**
For the year ended April 30, 2008

	2008	2007
	\$	\$
REVENUE		
Sponsorship	39,726	29,900
Advertising	<u>22,400</u>	<u>31,002</u>
	<u>62,126</u>	<u>60,902</u>
EXPENDITURES		
Advertising		
Television	11,561	2,384
Print	9,285	7,841
Radio	38,631	35,403
Internet	2,567	2,999
Website	17,775	-
Marketing campaign	5,307	50,337
UK/International marketing	-	6,901
Labour services	42,384	39,844
Communications	4,242	4,172
Complementary Marble Villa rooms	5,335	1,428
Membership fees	2,394	1,625
Travel and meetings	413	563
Ski shows and familiarization tours	5,455	4,430
Sign maintenance	-	343
Office and postage	108	123
Supplies	<u>7,362</u>	<u>3,954</u>
	<u>152,819</u>	<u>162,347</u>
EXCESS OF EXPENDITURES OVER REVENUE	<u>(90,693)</u>	<u>(101,445)</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE VIII****STATEMENT OF REVENUE AND EXPENDITURES – MARBLE VILLA**

For the year ended April 30, 2008

	2008	2007
	\$	\$
REVENUE		
Rental revenue	<u>286,465</u>	<u>259,713</u>
EXPENDITURES		
Housekeeping	21,991	19,735
Heat and light	30,600	27,858
Repairs and maintenance	19,239	12,717
Labour services	19,239	18,453
Security wages	6,016	3,878
Common area expense	7,230	7,100
Insurance	6,804	7,504
Communications	5,206	5,288
Cable television	4,272	4,244
Supplies	4,322	4,044
Miscellaneous	(91)	50
Marketing	1,615	5,706
Laundry	<u>10,691</u>	<u>7,435</u>
	<u>137,134</u>	<u>124,012</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>149,331</u>	<u>135,701</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**SCHEDULE IX
STATEMENT OF REVENUE AND EXPENDITURES – TUBE PARK
For the year ended April 30, 2008**

	2008	2007
	\$	\$
REVENUE	<u>-</u>	<u>35,273</u>
EXPENDITURES		
Lift rental	-	20,000
Labour services	-	20,132
Insurance	-	6,561
Supplies	-	555
Miscellaneous	-	-
Inspection	-	2,177
	<u>-</u>	<u>49,425</u>
EXCESS OF EXPENDITURES OVER REVENUE	<u>-</u>	<u>(14,152)</u>