and received Cabinet permission to accept the offer. The company has since carried out over 80% of the work. The final 20% will be completed in 2005. It is noted that the value of the company's silviculture work, being twice the amount of the penalty, more than covers the interest rate charged on overdue penalties.

2002 Recommendation

The Department should provide a report to the House of Assembly on the progress towards the achievement of forestry objectives.

Action Taken

The Department indicated that the Forestry Branch has a full set of Annual Reports up to 2003. These reports now directly reference the progress made on objectives identified in the Branch's Business Plan and have, in the past two years, been tabled in the House of Assembly.

Department of Tourism, Culture and Recreation

3.2.14 Marble Mountain Development Corporation (2002 Annual Report, Part 2.24)

Introduction

In 2002, we performed a review of Marble Mountain Development Corporation. The objective of this review was to assess the financial position and operations of the Corporation, and determine whether the Corporation was complying with the *Public Tender Act* and *Regulations*.

We concluded that although the Province continued to provide significant operating funding to the Corporation, the Corporation continued to incur operating deficits. We also concluded that the Corporation was not complying with the *Public Tender Act* and *Regulations*.

Update

In October 2004, we contacted Marble Mountain Development Corporation requesting an update as to progress on the comments and recommendations included in our 2002 report. The information provided by the Corporation in response to our request is outlined below.

2002 Recommendation

The Corporation should closely monitor its financial position and take action to address its annual deficits.

Action Taken

The Corporation indicated that procedures have been implemented to closely monitor its financial position. The budget process has been vastly improved through consultation with a Board member who is senior management with the Department of Finance. The General Manager and Manager of Administration prepare the budget and monitor it closely, presenting reports and analyses at regular management meetings. At meetings of the Board, in-depth reviews of the financial statements are presented by the Director of Administration.

The Corporation also indicated that in 2001-02, the deficit exceeded $300,000 after Government grants. The following year, the deficit after grants was $51,589, a positive step towards the Corporation's objectives of incrementally reducing the deficit and becoming financially self-sustaining. In 2003-04, through careful budgeting and management, the Corporation operated on a break even basis after the annual Government grant of $400,000.

The Corporation further indicated that to meet the financial objectives of becoming self-sustaining the Corporation continues to control expenses and increase revenue by increasing skier visits. The resort partners with the Department of Tourism, Culture and Recreation in a marketing campaign that is currently in its fourth year. This initiative and the hiring of a Marketing and Sales Manager at the resort have resulted in positive growth in skier visits, with over 80,000 visits expected this season.

2002 Recommendation

The Corporation should comply with the Public Tender Act *and* Regulations.

Action Taken

The Corporation stated it is complying with the *Public Tender Act.* Any purchases over $10,000 are publicly tendered and three quotes are obtained for purchases under that amount.