

Financial Statements of

**SUN PEAKS MOUNTAIN
RESORT ASSOCIATION
(DBA TOURISM SUN PEAKS)**

Year ended March 31, 2004



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AUDITORS' REPORT

To the Members of Sun Peaks Mountain Resort Association (dba Tourism Sun Peaks)

We have audited the statement of financial position of Sun Peaks Mountain Resort Association (dba Tourism Sun Peaks) as at March 31, 2004 and the statements of financial activity and net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Association'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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Sun Peaks Mountain Resort Association (dba Tourism Sun Peaks) as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants

Kamloops, Canada
May 14, 2004



SUN PEAKS MOUNTAIN RESORT ASSOCIATION (DBA TOURISM SUN PEAKS)

Statement of Financial Position

March 31, 2004, with comparatives for 2003

	2004	2003
Assets		
Current assets:		
Accounts receivable	\$ 321,974	\$ 241,518
Prepaid expenses	30,486	28,233
	<u>352,460</u>	<u>269,751</u>
Capital assets (note 2)	52,397	41,661
	<u>\$ 404,857</u>	<u>\$ 311,412</u>

Liabilities and Net Assets

Current liabilities:		
Cheques issued in excess of funds on deposit (note 3)	\$ 241,051	\$ 139,721
Accounts payable and accrued liabilities	271,297	254,944
Advances from Horizon Air (note 7)	30,000	-
	<u>542,348</u>	<u>394,665</u>
Advances from Sun Peaks Resort Corporation	-	3,267
Net assets:		
Unrestricted net assets	(189,888)	(128,181)
Net assets invested in capital assets (Exhibit D)	52,397	41,661
	<u>(137,491)</u>	<u>(86,520)</u>
Commitments (note 7)		
	<u>\$ 404,857</u>	<u>\$ 311,412</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

SUN PEAKS MOUNTAIN RESORT ASSOCIATION (DBA TOURISM SUN PEAKS)

Statement of Financial Activity and Net Assets

Year ended March 31, 2004, with comparatives for 2003

	2004 Budget (unaudited)	2004	2003
Revenue:			
Assessments (note 4)	\$ 1,125,000	\$ 1,150,866	\$ 1,088,735
Reservation	229,500	212,463	213,596
Activity Centre	30,420	46,624	31,770
Interest and miscellaneous	1,200	14,480	7,425
Sports Centre	123,030	111,461	128,103
	1,509,150	1,535,894	1,469,629
Expenditures:			
Audit, accounting, and legal	10,000	10,293	8,616
Equipment leases	43,750	41,403	49,754
Insurance	3,000	4,849	2,988
Interest and bank charges	13,200	13,506	24,290
Marketing - Summer	154,000	172,964	115,165
Marketing - Winter	555,050	580,722	630,042
Office and miscellaneous	16,000	22,082	21,927
Outside services	-	6,327	-
Rent	9,000	9,000	9,000
Repairs and maintenance	6,950	6,965	5,619
Supplies	30,850	43,379	34,047
Telephone and utilities	100,868	107,771	101,478
Travel and promotion	12,000	13,287	6,936
Wages and benefits	533,491	530,118	495,569
	1,488,159	1,562,666	1,505,431
Deficiency of revenue over expenditures before other expenses	20,991	(26,772)	(35,802)
Other expenses:			
Amortization	(16,800)	(18,751)	(34,396)
Loss on disposition of capital assets	-	(5,448)	-
Deficiency of revenue over expenditures before discontinued operations	4,191	(50,971)	(70,198)
Excess of revenues over expenditures from discontinued operations	-	-	38,173
Gain on disposal of discontinued operations	-	-	234,914
Excess of revenue over expenditures	4,191	(50,971)	202,889
Net assets, beginning of year	(86,520)	(86,520)	(289,409)
Net assets, end of year	\$ (82,329)	\$ (137,491)	\$ (86,520)
Represented by:			
Unrestricted net assets		\$ (189,888)	\$ (128,181)
Net assets invested in capital assets		52,397	41,661
		\$ (137,491)	\$ (86,520)

See accompanying notes to financial statements.