

Financial Statements of

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

Year ended March 31, 2006



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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, 2006 and the statements of financial activity and net assets (deficiency) 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, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Kamloops, Canada
May 8, 2006

SUN PEAKS MOUNTAIN RESORT ASSOCIATION (DBA TOURISM SUN PEAKS)

Statement of Financial Position

March 31, 2006, with comparatives for 2005

	2006	2005
Assets		
Current assets:		
Accounts receivable (note 2)	\$ 428,814	\$ 259,660
Prepaid expenses	26,118	19,666
	<u>454,932</u>	<u>279,326</u>
Capital assets (note 3)	60,246	53,207
	<u>\$ 515,178</u>	<u>\$ 332,533</u>
Liabilities and Net Assets (Deficiency)		
Current liabilities:		
Cheques issued in excess of funds on deposit (note 4)	\$ 219,809	\$ 153,034
Accounts payable and accrued liabilities	194,309	231,291
Horizon Air revenue guarantee payable (note 8)	60,710	39,061
	<u>474,828</u>	<u>423,386</u>
Net assets (deficiency):		
Unrestricted net assets	(19,896)	(144,060)
Net assets invested in capital assets (note 13)	60,246	53,207
	<u>40,350</u>	<u>(90,853)</u>
Commitments (note 9)		
Contingencies (note 10)		
	<u>\$ 515,178</u>	<u>\$ 332,533</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 (Deficiency)

Year ended March 31, 2006, with comparatives for 2005

	2006 Budget (unaudited)	2006	2005
Revenue:			
Assessments (note 5)	\$ 1,378,500	\$ 1,348,309	\$ 1,306,776
Central reservation commissions	238,850	285,124	260,719
Activity centre	34,320	32,143	35,549
Interest and miscellaneous	(3,000)	6,096	7,513
Accommodation tax revenues	-	183,427	-
Sports centre (note 12)	67,295	19,013	76,089
	1,715,965	1,874,112	1,686,646
Expenditures:			
Audit, accounting, and legal	9,500	11,703	10,419
Bad debt	-	763	1,024
Equipment leases	51,116	46,876	53,744
Insurance	5,200	4,363	4,717
Interest and bank charges	12,000	22,245	24,472
Management fees, Sports Centre (note 12)	-	7,466	-
Marketing - Summer	278,850	203,169	168,177
Marketing - Winter	573,625	716,365	622,550
Office and miscellaneous	18,200	20,992	19,452
Outside services	-	3,086	3,560
Rent	9,000	9,000	9,000
Repairs and maintenance	4,450	3,976	5,161
Supplies	25,784	36,291	45,891
Telephone and utilities	98,000	68,306	116,459
Travel and promotion	12,000	9,416	8,142
Wages and benefits	593,682	550,974	528,386
	1,691,407	1,714,991	1,621,154
Excess of revenue over expenditures before other expenses	24,558	159,121	65,492
Other expenses:			
Amortization	(16,200)	(27,918)	(22,773)
Gain on disposition of capital assets	-	-	3,919
	(16,200)	(27,918)	(18,854)
Excess of revenue over expenditures	8,358	131,203	46,638
Net deficiency, beginning of year	(90,853)	(90,853)	(137,491)
Net assets (deficiency), end of year	\$ (82,495)	\$ 40,350	\$ (90,853)
Represented by:			
Unrestricted net assets		\$ (19,896)	\$ (144,060)
Net assets invested in capital assets		60,246	53,207
		\$ 40,350	\$ (90,853)

See accompanying notes to financial statements.