

**Sun Peaks Mountain Resort
Association
Financial Statements
For the year ended March 31, 2011**

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Tel: 250 372 9505
Fax: 250 374 6323
www.bdo.ca

BDO Canada LLP
300 - 272 Victoria Street
Kamloops BC V2C 1Z6 Canada

Independent Auditor's Report

To the Members of Sun Peaks Mountain Resort Association

We have audited the accompanying financial statements of Sun Peaks Mountain Resort Association, which comprise the statement of financial position as at March 31, 2011, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Peaks Mountain Resort Association as at March 31, 2011 and the results of its operations, changes in net assets 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 LLP

Kamloops, British Columbia
June 22, 2011

Sun Peaks Mountain Resort Association
Statement of Financial Position

As at March 31	2011	2010
Assets		
Current Assets		
Cash	\$ 230,138	\$ 54,472
Accounts receivable (Note 1)	528,656	575,275
Prepaid expenses	13,830	35,885
	772,624	665,632
Property, plant and equipment (Note 2)	160,937	177,609
	\$ 933,561	\$ 843,241
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accruals	\$ 425,017	\$ 344,301
Term loan due on demand (Note 4)	3,099	13,747
Deferred revenue	12,335	16,609
	440,451	374,657
Net assets (Note 6)		
Invested in property, plant and equipment	157,838	163,861
Unrestricted	10,272	304,723
Internally restricted	325,000	-
	493,110	468,584
	\$ 933,561	\$ 843,241

Commitments (Note 8)
Contingency (Note 9)

Approved on behalf of the Association:


 _____, Director


 _____, Director

Sun Peaks Mountain Resort Association
Statement of Changes in Net Assets

For the year ended March 31	Unrestricted	Internally Restricted	Invested in Property, Plant and Equipment	2011	2010
Net assets, beginning of year	\$ 304,723	\$ -	\$ 163,861	\$ 468,584	\$ 369,362
Purchase of property, plant and equipment	(23,518)	-	23,518	-	-
Net book value of capital assets disposed of	16,883	-	(16,883)	-	-
Amortization of property, plant and equipment	23,306	-	(23,306)	-	-
Repayment of debt	(10,648)	-	10,648	-	-
Transfer to Operating Reserve	(325,000)	325,000	-	-	-
Excess of revenue over expenses	24,526	-	-	24,526	99,222
Net assets, end of year	\$ 10,272	\$ 325,000	\$ 157,838	\$ 493,110	\$ 468,584

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.