

**The Nik Zoricic (NZ) Foundation**  
**Financial Statements**  
For the year ended April 30, 2016

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**Financial Statements**  
For the year ended April 30, 2016

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## Independent Auditor's Report

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### To the Members of The Nik Zoricic (NZ) Foundation

We have audited the accompanying financial statements of The Nik Zoricic (NZ) Foundation, which comprise the statement of financial position as at April 30, 2016, and the statements of operations and changes in unrestricted fund balance and 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 and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 and fair presentation 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 overall presentation of the financial statements.

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

### Basis for Qualified Opinion

In common with many not-for-profit organizations, The Nik Zoricic (NZ) Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of The Nik Zoricic (NZ) Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses, cash flows from operations, current assets and fund balances.



Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Nik Zoricic (NZ) Foundation as at April 30, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
September 27, 2016

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**The Nik Zoricic (NZ) Foundation  
Statement of Financial Position**

<u>April 30</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash (Note 2)	\$ 220,026	\$ 311,083
Accounts receivable (Note 3)	74,352	67,199
Inventories (Note 4)	3,096	3,110
Prepaid expenses	17,474	7,140
	<hr/>	<hr/>
	314,948	388,532
Capital assets (Note 5)	58,542	58,092
	<hr/>	<hr/>
	\$ 373,490	\$ 446,624

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**Liabilities and Fund Balance**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 21,766	\$ 67,110
HST payable	32	3,259
	<hr/>	<hr/>
	21,798	70,369
<b>Fund Balance</b>		
Unrestricted	351,692	376,255
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	\$ 373,490	\$ 446,624

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On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**The Nik Zoricic (NZ) Foundation  
Statement of Operations and Changes in Unrestricted Fund  
Balance**

<b>For year ended April 30</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Donations	\$ 26,962	\$ 32,676
Fundraising	84,434	132,875
International Ski Federation funding (Note 6)	50,000	50,000
Sponsorships	39,475	64,950
	<u>200,871</u>	<u>280,501</u>
<b>Expenses</b>		
Amortization	13,490	10,159
Advertising	-	8,699
Bad debts	-	1,500
Bank charges	48	496
Event supplies	69,259	91,362
Insurance	4,348	3,834
Meals and entertainment	1,278	562
Office expenses	970	992
Professional services	7,548	8,000
Program disbursements - athlete development	52,972	26,907
Program disbursements - safety	59,354	8,058
Travel	2,567	1,351
Website	13,600	13,145
	<u>225,434</u>	<u>175,065</u>
<b>Excess of revenue over expenses</b>	<b>(24,563)</b>	<b>105,436</b>
<b>Unrestricted fund balance, beginning of year</b>	<b><u>376,255</u></b>	<b><u>270,819</u></b>
<b>Unrestricted fund balance, end of year</b>	<b>\$ 351,692</b>	<b>\$ 376,255</b>

**The Nik Zoricic (NZ) Foundation  
Statement of Cash Flows**

<u>For the year ended April 30</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ (24,563)	\$ 105,436
Adjustments for		
Amortization of capital assets	<u>13,490</u>	<u>10,159</u>
	(11,073)	115,595
Changes in non-cash working capital balances		
Accounts receivable	(7,153)	(14,418)
Inventories	14	(460)
Prepaid expenses	(10,334)	(4,231)
Accounts payable and accrued liabilities	(45,344)	43,270
HST payable	<u>(3,227)</u>	<u>(3,095)</u>
	(77,117)	136,661
Cash flows from investing activities		
Purchase of capital assets	<u>(13,940)</u>	<u>(37,707)</u>
Increase (decrease) in cash during the year	(91,057)	98,954
Cash, beginning of year	<u>311,083</u>	<u>212,129</u>
Cash, end of year	<u>\$ 220,026</u>	<u>\$ 311,083</u>

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# The Nik Zoricic (NZ) Foundation

## Notes to Financial Statements

April 30, 2016

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### 1. Significant Accounting Policies

#### Nature and Purpose of Organization

The Nik Zoricic (NZ) Foundation (the "Foundation") is a not-for-profit organization incorporated under the laws of Ontario as a corporation without share capital.

The Foundation is an organization which works with Canadian athletes both provincially and nationally to support the development of ski sport in general and its safety in particular. The Foundation supports other registered charities whose missions complement its own in terms of the development of ski sport and safety initiatives.

For Canadian tax purposes the Foundation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

#### Basis of Accounting

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Contributed Materials and Services

Contributed materials and services are not recognized in the financial statements due to the inherent difficulty in determining their fair market value.

#### Fund Accounting

The Foundation follows the deferral method of accounting for contributions. The Foundation's contributions are comprised of donations, sponsorships and fundraising revenue.

#### Inventories

Purchased goods for resale are stated at the lower of average cost and net realizable value.

#### Capital Assets

Capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is calculated at the following rates:

Equipment	-	30 % declining balance
Safety gates and netting	-	20 % declining balance
Trailer	-	20 % declining balance



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## The Nik Zoricic (NZ) Foundation Notes to Financial Statements

April 30, 2016

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### 1. Significant Accounting Policies (continued)

#### Revenue Recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. All financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

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### 2. Cash

The Foundation's bank accounts are held at one chartered bank. The bank accounts earn interest at a variable rate dependent on the monthly minimum balances.

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**The Nik Zoricic (NZ) Foundation  
Notes to Financial Statements**

**April 30, 2016**

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**3. Accounts Receivable**

	<u>2016</u>	<u>2015</u>
Alpine Canada Alpin (ACA)	\$ 22,699	\$ 49,811
Other receivables	<u>51,653</u>	<u>17,388</u>
	<u>\$ 74,352</u>	<u>\$ 67,199</u>

Alpine Canada Alpin (ACA) collects donations on behalf of the Foundation and distributes them to the Foundation upon request. The amount receivable from ACA represents the total donations that are yet to be distributed to the Foundation as at April 30, 2016.

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**4. Inventories**

	<u>2016</u>	<u>2015</u>
Goods for resale	<u>\$ 3,096</u>	<u>\$ 3,110</u>

Inventory expensed during the year totaled \$10,914 (2015 - \$3,354) and has been included in event supplies on the statement of operations and changes in unrestricted fund balance.

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**The Nik Zoricic (NZ) Foundation  
Notes to Financial Statements**

**April 30, 2016**

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**5. Capital Assets**

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 5,607	\$ 2,271	\$ 5,607	\$ 841
Safety gates and netting	64,643	19,690	50,703	10,194
Trailer	15,335	5,082	15,335	2,518
	<b>85,585</b>	<b>27,043</b>	<b>71,645</b>	<b>13,553</b>
Net book value		<b>\$ 58,542</b>		<b>\$ 58,092</b>

During the year, the Foundation purchased capital assets of \$13,940 (2015 - \$37,707) with cash.

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**6. International Ski Federation Funding**

The Foundation is the recipient of funds from the International Ski Federation ("Federation") as a result of the Federation demonstrating their support of the objectives of the Foundation to the family of Nik Zoricic. The International Ski Federation has committed \$250,000 over five years beginning in the year ended April 30, 2014. The Foundation has received \$150,000 as of April 30, 2016.

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## The Nik Zoricic (NZ) Foundation Notes to Financial Statements

April 30, 2016

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### 7. Financial Instrument Risk

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk typically arises due to significant concentrations of accounts receivable from a particular industry, geographic region or limited number of customers. The Foundation is exposed to credit risk as they have one significant receivable from an organization that collects donations on behalf of the Foundation. The amount receivable from this organization is \$22,699 as of April 30, 2016 (2015 - \$49,811).

The Foundation is exposed to credit risk since the Foundation's cash deposits in one financial institution are in excess of the amount insured by agencies of the federal government in the amount of \$100,000 as at April 30, 2016.

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