

**The Nik Zoricic (NZ) Foundation**  
**Financial Statements**  
For the year ended April 30, 2014

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For the year ended April 30, 2014

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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, 2014, 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 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, 2014 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 3, 2015

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

**April 30** 2014 2013

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**Assets**

**Current Assets**

Cash (Note 3)	\$	212,129	\$	114,269
Accounts receivable		52,781		69,199
Inventories (Note 4)		2,650		-
Prepaid expenses		2,909		785
		270,469		184,253

**Capital assets (Note 5)**

		30,544		-
		270,469		184,253

**\$ 301,013** **\$ 184,253**

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**Liabilities and Fund Balance**

**Current Liabilities**

Accounts payable and accrued liabilities	\$	23,840	\$	21,548
HST payable		6,354		8,720
		30,194		30,268

**Fund Balance**

Unrestricted		270,819		153,985
		270,819		153,985

**\$ 301,013** **\$ 184,253**

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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>2014</b>	<b>2013</b>
<small>(with comparative amounts for the 7 month period ended April 30, 2013)</small>		
<b>Revenue</b>		
Donations	\$ 35,919	\$ 64,640
Fundraising	109,386	117,439
International Ski Federation funding (Note 6)	50,000	-
Sponsorships	52,983	38,490
	<b>248,288</b>	<b>220,569</b>
 <b>Expenses</b>		
Event supplies	75,389	46,047
Program disbursements - athlete development	27,395	15,000
Program disbursements - safety	17,096	-
Professional services	3,500	3,500
Amortization	3,394	-
Advertising	2,650	-
Insurance	1,386	1,864
Bad debts	500	-
Bank charges	144	173
	<b>131,454</b>	<b>66,584</b>
<b>Excess of revenue over expenses</b>	<b>116,834</b>	<b>153,985</b>
<b>Unrestricted fund balance, beginning of year</b>	<b>153,985</b>	<b>-</b>
<b>Unrestricted fund balance, end of year</b>	<b>\$ 270,819</b>	<b>\$ 153,985</b>

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

For the year ended April 30	2014	2013
(with comparative amounts for the 7 month period ended April 30, 2013)		
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 116,834	\$ 153,985
Adjustments for		
Amortization of capital assets	3,394	-
	120,228	153,985
 <b>Changes in non-cash working capital balances</b>		
Accounts receivable	16,418	(69,199)
Inventories	(2,650)	-
Prepaid expenses	(2,124)	(785)
Accounts payable and accrued liabilities	2,292	21,548
HST payable	(2,366)	8,720
	131,798	114,269
 <b>Cash flows from investing activities</b>		
Purchase of capital assets	(33,938)	-
<b>Increase in cash during the year</b>	<b>97,860</b>	<b>114,269</b>
<b>Cash, beginning of year</b>	<b>114,269</b>	<b>-</b>
<b>Cash, end of year</b>	<b>\$ 212,129</b>	<b>\$ 114,269</b>

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

April 30, 2014

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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.

### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates of the Foundation include the collectibility of the accounts receivable and the estimation of accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

### 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.

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

April 30, 2014

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## 1. Significant Accounting Policies (continued)

### 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	-	20 % declining balance
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### Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the Foundation's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Foundation considers that no circumstances exist that would require such an evaluation.

### 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. Incorporation

The Nik Zoricic (NZ) Foundation was incorporated by Letters Patent under the Corporation Act (Ontario) without share capital on September 24, 2012.

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

**April 30, 2014**

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### 3. 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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### 4. Inventories

	2014	2013
Goods for resale	\$ 2,650	\$ -

Inventory expensed during the year totaled \$22,721 (2013 - \$NIL) and has been included in event supplies on the statement of operations and changes in unrestricted fund balance.

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### 5. Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 33,938	\$ 3,394	\$ -	\$ -
Net book value	\$ 30,544		\$ -	

During the year, the Foundation purchased capital assets of \$33,938 (2013 - \$NIL) 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 \$50,000 as of April 30, 2014.

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

April 30, 2014

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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. Management believes that due to the nature of their business they are not exposed to significant credit risk as they collect donations from multiple counterparties from multiple geographic regions using secured methods of payment.

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 amounts of \$100,0000 as at April 30, 2014.

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