

The Nik Zoricic (NZ) Foundation
Financial Statements
For the year ended April 30, 2017

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Contents

Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Operations and Changes in Unrestricted Fund Balance	5
Statement of Cash Flows	6
Notes to Financial Statements	7



Independent Auditor's Report

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, 2017, 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, 2017 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
July 8, 2018

The Nik Zoricic (NZ) Foundation Statement of Financial Position

April 30	2017	2016
		(Restated) (Note 8)
Assets		
Current Assets		
Cash (Note 2)	\$ 221,723	\$ 220,026
Accounts receivable (Note 3)	2,234	74,352
HST receivable	11,633	-
Inventories (Note 4)	3,433	3,096
Prepaid expenses	18,762	17,474
	257,785	314,948
Capital assets (Note 5)	46,501	58,542
	\$ 304,286	\$ 373,490

Liabilities and Fund Balance

Current Liabilities		
Accounts payable and accrued liabilities	\$ 11,710	\$ 26,338
HST payable	-	32
	11,710	26,370
Fund Balance		
Unrestricted	292,576	347,120
	\$ 304,286	\$ 373,490

On behalf of the Board:

_____ Director

_____ Director

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

For year ended April 30	2017	2016 (Restated) (Note 8)
Revenue		
Donations	\$ 14,399	\$ 26,962
Fundraising	98,344	84,434
International Ski Federation funding (Note 6)	50,000	50,000
Sponsorships	13,500	39,475
Interest income	322	-
	<u>176,565</u>	<u>200,871</u>
Expenses		
Amortization	12,042	13,490
Advertising	1,804	-
Bank charges	2,459	48
Event supplies (Note 8)	105,673	71,481
Insurance	6,754	4,348
Meals and entertainment	1,450	1,278
Office expenses	628	970
Professional services	9,350	7,548
Program disbursements - athlete development	34,188	52,972
Program disbursements - safety	42,548	59,354
Travel	1,313	2,567
Website (Note 8)	12,900	15,950
	<u>231,109</u>	<u>230,006</u>
Deficiency of revenue over expenses	(54,544)	(29,135)
Unrestricted fund balance, beginning of year	347,120	376,255
Unrestricted fund balance, end of year	\$ 292,576	\$ 347,120

The accompanying notes are an integral part of these financial statements.

The Nik Zoricic (NZ) Foundation Statement of Cash Flows

For the year ended April 30	2017	2016
		(Restated) (Note 8)
Cash flows from operating activities		
Deficiency of revenue over expenses	\$ (54,544)	\$ (29,135)
Adjustments for		
Amortization of capital assets	12,042	13,490
	(42,502)	(15,645)
 Changes in non-cash working capital balances		
Accounts receivable	72,117	(7,153)
HST receivable/payable	(11,665)	(3,227)
Inventories	(337)	14
Prepaid expenses	(1,288)	(10,334)
Accounts payable and accrued liabilities	(14,628)	(40,772)
	1,697	(77,117)
 Cash flows from investing activities		
Purchase of capital assets	-	(13,940)
	-	(13,940)
 Increase (decrease) in cash during the year	1,697	(91,057)
 Cash, beginning of year	220,026	311,083
 Cash, end of year	\$ 221,723	\$ 220,026

The accompanying notes are an integral part of these financial statements.

The Nik Zoricic (NZ) Foundation Notes to Financial Statements

April 30, 2017

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

The Nik Zoricic (NZ) Foundation Notes to Financial Statements

April 30, 2017

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.

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.

The Nik Zoricic (NZ) Foundation Notes to Financial Statements

April 30, 2017

3. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Alpine Canada Alpin (ACA) (payable)	\$ (5,423)	\$ 22,699
Other receivables	<u>7,657</u>	<u>51,653</u>
	<u>\$ 2,234</u>	<u>\$ 74,352</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, 2017. As at April 30, 2017, ACA had disbursed funds of \$5,423 in excess of those collected on behalf of the Foundation.

Subsequent to April 30, 2017, the account with ACA was closed. The account was officially closed on May 15, 2017 and the remaining balance of funds disbursed in excess of those collected on behalf of the Foundation was repaid on July 14, 2017. ACA will no longer be collecting donations on behalf of the Foundation.

4. Inventories

	<u>2017</u>	<u>2016</u>
Goods for resale	<u>\$ 3,433</u>	<u>\$ 3,096</u>

Inventory expensed during the year totaled \$5,698 (2016 - \$10,914) and has been included in event supplies on the statement of operations and changes in unrestricted fund balance.

The Nik Zoricic (NZ) Foundation Notes to Financial Statements

April 30, 2017

5. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 5,607	\$ 3,272	\$ 5,607	\$ 2,271
Safety gates and netting	64,643	28,680	64,643	19,690
Trailer	15,335	7,132	15,335	5,082
	85,585	39,084	85,585	27,043
Net book value		\$ 46,501		\$ 58,542

During the year, the Foundation purchased capital assets of \$NIL (2016 - \$13,940) with cash.

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 \$200,000 as of April 30, 2017.

7. Financial Instrument Risk

Credit Risk

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, 2017.

The Nik Zoricic (NZ) Foundation Notes to Financial Statements

April 30, 2017

8. Restatement of Prior Period

During the year, it was determined that accounts payable and accrued liabilities were understated as at April 30, 2016 and that expenses related to event supplies and the website were understated during the year then ended. These understatements occurred due to late receipt of the invoices related to these expenditures.

A prior period adjustment has been recorded to correct the understatements. The impact of the prior period adjustment is as follows:

	<u>2016</u>
Statement of Financial Position	
Increase in accounts payable and accrued liabilities	\$ 4,572
Decrease in unrestricted fund balance	\$ 4,572
Statement of Operations and Changes in Unrestricted Fund Balance	
Increases in expenses:	
Events supplies	\$ 2,222
Website	<u>2,350</u>
Increase in total expenses	<u>\$ 4,572</u>
Decrease in excess of revenues over expenses	\$ 4,572
Decrease in unrestricted fund balance	\$ 4,572
