Financial Statements of

JAYS CARE FOUNDATION

Year ended November 30, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Jays Care Foundation

We have audited the accompanying financial statements of the Jays Care Foundation, which comprise the statement of financial position as at November 30, 2016, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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 Jays Care Foundation derives revenue from fundraising activities, contributions and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Jays Care Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenue and excess of revenue over expenditures reported in the statement of operations and net assets, and excess of revenue over expenditures reported in the statement of cash flows for the year ended November 30, 2016 and unrestricted net assets reported in the statement of financial position as at November 30, 2016.

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 Jays Care Foundation as at November 30, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

February 1, 2017
Vaughan, Canada

JAYS CARE FOUNDATION

Statement of Financial Position

November 30, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	$ 6,459,234	$ 3,615,497
Restricted cash endowment (note 7)	10,000	–
Donations receivables	99,635	252,451
Harmonized sales tax receivables	129,957	55,808
Prepaid expenditures	127,756	83,333
	6,826,582	4,007,089
Capital assets (note 2)	277,395	25,299
	$ 7,103,977	$ 4,032,388
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 125,701	$ 143,158
Accrued grant expenditures	762,328	–
Deferred contributions (note 6)	108,250	36,700
Accrued donation disbursements	165,496	176,467
Due to related parties (note 3)	127,095	72,376
	1,288,870	428,701
Net assets:		
Restricted (note 7)	10,000	–
Unrestricted	5,805,107	3,603,687
	5,815,107	3,603,687
Commitments (note 4)		
Subsequent event (note 8)		
	$ 7,103,977	$ 4,032,388

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Director

______________________________ Director

JAYS CARE FOUNDATION

Statement of Operations

Year ended November 30, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Donations:		
Player	$ 295,639	$ 356,110
Directed (note 3)	1,794,447	1,070,187
Other	209,916	387,266
	2,300,002	1,813,563
Fundraising:		
Gala	1,391,627	1,119,285
Golf Tournament	814,876	731,341
Broadcast Auction	315,240	315,135
Poker Tournament	151,550	–
Charity Home Run Derby	–	94,977
Club 12 Program	–	126,500
50/50 Draws	2,803,941	1,347,750
In-stadium Fundraising	226,377	223,401
Third Party Fundraisers	387,794	354,200
Interest and other	34,945	27,690
	6,126,350	4,340,279
	8,426,352	6,153,842
Expenditures:		
Programs and grants:		
Field of Dreams	1,564,885	1,496,246
Grand Slam Grants and other disbursements	554,803	696,972
Home Run Scholars	111,065	119,216
Rookie League	598,363	424,479
Jays Care Community Clubhouse	113,816	88,478
Blue Jays/Amateur Baseball/Community Initiatives	110,696	228,755
Volunteer Program	9,517	19,587
JCF Program Expense	291,609	–
Directed Community Investments	11,000	–
Program remuneration	577,670	389,627
	3,943,424	3,463,360
Fundraising:		
Gala	554,464	394,701
Golf Tournament	185,303	126,748
Charity Home Run Derby	151	19,345
50/50 Draws	292,900	89,457
Broadcast Auction	27,764	43,067
In-stadium and other fundraising	63,295	37,969
Third Party Fundraising	110,730	89,467
Club 12 Program	–	65,305
Poker Tournament	61,889	–
Fundraising remuneration	605,850	454,564
	1,902,346	1,320,623
Other:		
Administration remuneration	225,433	238,105
General and administration	127,396	159,336
Depreciation	26,333	76,237
	379,162	473,678
	6,224,932	5,257,661
Excess of revenue over expenditures	$ 2,201,420	$ 896,181

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Changes in Net Assets

Year ended November 30, 2016, with comparative information for 2015

2016	Unrestricted	Restricted	Total
Net assets, beginning of year	$ 3,603,687	$ –	$ 3,603,687
Excess of revenue over expenditures	2,201,420	–	2,201,420
Endowment contributions (note 7)	–	10,000	10,000
Net assets, end of year	$ 5,805,107	$ 10,000	$ 5,815,107

2015	Unrestricted	Restricted	Total
Net assets, beginning of year	$ 2,707,506	$ –	$ 2,707,506
Excess of revenue over expenditures	896,181	–	896,181
Net assets, end of year	$ 3,603,687	$ –	$ 3,603,687

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Cash Flows

Year ended November 30, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	$ 2,201,420	$ 896,181
Depreciation which does not involve cash	26,333	76,237
Change in non-cash operating working capital:		
Increase in restricted cash endowment	(10,000)	–
Decrease (increase) in donations receivables	152,816	(57,097)
Increase in harmonized sales tax receivables	(74,149)	(26,195)
Increase in prepaid expenditures	(44,423)	(13,034)
Increase (decrease) in accounts payable and accrued liabilities	(17,457)	71,546
Increase in accrued grant expenditures	762,328	–
Increase in deferred contributions	71,550	35,950
Increase (decrease) in accrued donation disbursements	(10,971)	127,653
Increase (decrease) in due to related parties	54,719	(31,674)
	3,112,166	1,079,567
Investing activities:		
Purchase of capital assets	(278,429)	–
Financing activities:		
Endowment contributions (note 7)	10,000	–
Increase in cash and cash equivalents	2,843,737	1,079,567
Cash and cash equivalents, beginning of year	3,615,497	2,535,930
Cash and cash equivalents, end of year	$ 6,459,234	$ 3,615,497

See accompanying notes to financial statements.

The Jays Care Foundation (the "Foundation") was incorporated without share capital and funds youth-related and other charitable causes. The Foundation is a registered charity (#890847189RR0001) designated as a public foundation under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the Chartered Professional Accountants of Canada Handbook - Accounting.

(a) Revenue recognition:

The Foundation follows the deferral method of accounting for donations. Under the deferral method, restricted donations are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fundraising revenue is recorded on completion of the event.

(b) Presentation and allocation of expenses:

The Foundation classifies expenses on the statement of operations by function. In doing so, the Foundation allocates remuneration to other programs or fundraising based on an estimate of time spent for each individual employee, which is applied on a reasonable and consistent basis. Remuneration is related to the administration of the Foundation.

(c) Accrued grant expenditures:

Disbursements are recorded annually as payable when approved by the Board of Directors and signed letters of acceptance are received from the awardees. Certain projects funded by the Foundation extend over a number of years. Such projects are reviewed annually and further funding is provided conditional upon accomplishment of specified performance criteria. Accordingly, accrued grant expenditures as shown on the statement of financial position do not include a provision for funding on multi-year projects that extend beyond the subsequent year. Unexpended balances of terminated grants are offset against the current year's expenses.

1. Significant accounting policies (continued):

(d) Donated materials and services:

The Foundation is supported by the contribution of materials and services for various fundraising events and administrative purposes. These contributions are recognized in the financial statements when their fair values are reasonably determinable and when they would normally be purchased by the Foundation if not donated. Fair value is defined as the estimated cash outlay that would have been required to purchase the contributed materials and services.

There were no donated materials recognized in the financial statements for the years ended November 30, 2016 and 2015.

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(e) Cash and cash equivalents:

Cash and cash equivalents include cash on account and short-term investments with original maturities of three months or less.

(f) Capital assets:

Purchased capital assets are recorded at cost. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value. Repairs and maintenance costs are charged to expenditures as incurred.

Capital assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Computer hardware and associated software	5 years
Leasehold improvements	5 - 10 years, being the lease term

1. Significant accounting policies (continued):

An impairment charge is recognized on capital assets when events or changes in circumstances cause an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. An impairment loss is calculated as the difference between fair value of the assets and their carrying value.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. When such investments are made, equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Capital assets:

2016	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	$ 26,381	$ 18,435	$ 7,946
Leasehold improvements	278,429	8,980	269,449
	$ 304,810	$ 27,415	$ 277,395

2015	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	$ 45,775	$ 32,304	$ 13,471
Leasehold improvements	354,805	342,977	11,828
	$ 400,580	$ 375,281	$ 25,299

During 2016, the Foundation wrote off capital assets that became fully depreciated in the year. The total cost and accumulated depreciation of these assets was $374,199 (2015 - nil).

3. Related party transactions:

The Foundation has entered into certain transactions with companies that are related parties. Due to the ability to exercise significant influence, parties deemed related to the Foundation are the Toronto Blue Jays Baseball Club (the "Club"), its ultimate parent company, Rogers Communications Inc. ("RCI"), and RCI's subsidiaries. Included in revenue is $1,105,500 (2015 - $1,213,597) from such related parties, including $1,000,000 (2015 - $1,000,000) in directed donation revenue to subsidize a portion of the Foundation's remuneration costs and its administrative costs. During 2016, there were related party expenses of $25,766 (2015 - $22,487), relating to merchandise purchases made from the Club. During 2016, there were related party expenses of $106,000 (2015 - nil), relating to sponsorship of programming offered by the Club.

The Club is responsible for the initial payment of the Foundation's salary and bonus expenditures, as well as monthly miscellaneous operating expenditures. The Club subsequently invoices the Foundation for these expenditures. Included in expenditures is $1,408,953 (2015 - $1,082,296) in respect of salary expenditures and bonuses invoiced by the Club to the Foundation. Included in due to related parties is $127,095 (2015 - $72,376) owing to the Club for accrued salaries and miscellaneous operating expenditures.

4. Commitments:

In 2013, the Foundation entered into a five-year commitment in support of Pathways to Education for $550,000. Annual payments of $110,000 were remitted to Pathways to Education in each of 2013, 2014, 2015, 2016 and $110,000 will be paid in 2017, the final year.

During 2013, the Foundation entered into a five-year commitment in support of Boys and Girls Clubs of Canada for $605,000. $110,000 was paid to the Boys and Girls Clubs of Canada in 2013, $105,000 was paid in 2014, $117,500 was paid in 2015 and $130,000 in 2016. The remaining commitment of $142,500 will be paid in 2017.

In 2014, the Board of Directors approved grants totaling $785,000 to the YMCA. $200,000 was paid in each of 2014 and 2015 and $177,500 was paid in 2016. This is $12,500 less than agreed as conditions of the grant were not fully completed. The remaining balance of $195,000 will be paid in 2017.

5. Financial instruments:

Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2015.

Credit risk:

The Foundation is exposed to credit risk with respect to donations receivable. The Foundation believes there is minimal risk associated with these amounts.

6. Deferred contributions:

Deferred contributions are related to donations received for future events.

	2016	2015
Balance, beginning of year	$ 36,700	$ 750
Amount recognized as revenue	(36,700)	(750)
Amount received related to future periods	108,250	36,700
Balance, end of year	$ 108,250	$ 36,700

7. Restricted assets:

On October 14, 2016, the Foundation received an endowment gift of $50,000, which will be received by the Foundation in payments of $10,000 in 2016, $20,000 in 2017, and $10,000 in 2018 and 2019. The gift will be held in perpetuity with the interest earned to be used for the Take Me Out to the Ball Game program. The first payment of $10,000 was received on November 3, 2016.

8. Subsequent event:

On February 1, 2017, the Board of Directors approved grants totaling $37,000 to three organizations, which will be paid during 2017.