Financial Statements of

JAYS CARE FOUNDATION

Year ended November 30, 2018

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

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, 2018, 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 changes in net assets, and excess of revenue over expenditures reported in the statement of cash flows for the year ended November 30, 2018 and unrestricted net assets reported in the statement of financial position as at November 30, 2018.

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, 2018, 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

Vaughan, Canada

March 28, 2019

JAYS CARE FOUNDATION

Statement of Financial Position

November 30, 2018, with comparative information for 2017

		2018		2017
Assets				
Current assets:				
Cash and cash equivalents	$	7,736,089	$	6,147,691
Restricted cash endowment (note 7)		50,000		50,000
Short-term investments		2,508,350		1,621,613
Donations receivables		88,811		473,201
Harmonized sales tax receivables		106,924		116,384
Prepaid expenditures and other assets		197,526		115,272
		10,687,700		8,524,161
Capital assets (note 2)		318,202		326,267
	$	11,005,902	$	8,850,428
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities	$	17,782	$	129,426
Accrued grant expenditures		683,166		641,848
Deferred contributions (note 6)		700,000		173,438
Due to related parties (note 3)		423,631		121,791
		1,824,579		1,066,503
Net assets:				
Restricted (note 7)		50,000		50,000
Internally restricted (note 8)		1,000,000		1,000,000
Unrestricted		8,131,323		6,733,925
		9,181,323		7,783,925
Commitments (note 4)				
	$	11,005,902	$	8,850,428

See accompanying notes to financial statements

On behalf of the Board:

________________________________ Director

________________________________ Director

JAYS CARE FOUNDATION

Statement of Operations

Year ended November 30, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Donations:		
Player	$ 274,506	$ 295,347
Directed (note 3)	2,928,668	2,146,905
Other	383,867	313,017
	3,587,041	2,755,269
Fundraising:		
Gala	1,554,187	1,420,918
Golf Tournament	938,251	945,071
Broadcast Auction	240,865	284,382
Poker Tournament	142,850	191,330
Behind the Plate	133,600	130,000
50/50 Draws	2,797,897	3,275,499
In-stadium Fundraising	193,732	153,905
Third Party Fundraisers	559,043	580,176
Interest and other (net)	99,141	80,892
	6,659,566	7,062,173
	10,246,607	9,817,442
Expenditures:		
Programs and grants:		
Field of Dreams	1,544,813	1,166,964
Grand Slam Grants and other disbursements	101,937	419,707
Home Run Scholars	759,003	339,756
Rookie League	1,640,771	1,463,288
Take Me Out to the Ball Game (Jays Care Community Clubhouse)	177,552	173,895
Blue Jays/Amateur Baseball/Community Initiatives	103,613	74,717
JCF Program Expense	750,346	705,213
Program remuneration (note 3)	898,678	880,907
	5,976,713	5,224,447
Fundraising:		
Gala	597,001	552,872
Golf Tournament	197,807	159,349
50/50 Draws	325,001	342,872
Broadcast Auction	41,564	32,233
In-stadium and other fundraising	90,590	74,208
Third Party Fundraising	130,446	133,434
Buck’s Lunch (Pilot Event)	27,404	41,540
Poker Tournament	53,751	57,272
Fundraising remuneration (note 3)	852,565	772,135
	2,316,129	2,165,915
Other:		
Administration remuneration (note 3)	304,881	314,865
General and administration	199,339	143,948
Depreciation	52,147	39,449
	556,367	498,262
	8,849,209	7,888,624
Excess of revenue over expenditures	$ 1,397,398	$ 1,928,818

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Changes in Net Assets

Year ended November 30, 2018, with comparative information for 2017

2018	Unrestricted	Internally restricted	Restricted	Total
Net assets, beginning of year	$ 6,733,925	$ 1,000,000	$ 50,000	$ 7,783,925
Excess of revenue over expenditures	1,397,398	–	–	1,397,398
Net assets, end of year	$ 8,131,323	$ 1,000,000	$ 50,000	$ 9,181,323

2017	Unrestricted	Internally restricted	Restricted	Total
Net assets, beginning of year	$ 5,805,107	$ –	$ 10,000	$ 5,815,107
Excess of revenue over expenditures	1,928,818	–	–	1,928,818
Funds held for Field of Dreams program (note 8)	(1,000,000)	1,000,000	–	–
Endowment contributions (note 7)	–	–	40,000	40,000
Net assets, end of year	$ 6,733,925	$ 1,000,000	$ 50,000	$ 7,783,925

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Cash Flows

Year ended November 30, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	$ 1,397,398	$ 1,928,818
Depreciation which does not involve cash	52,147	39,449
Change in non-cash operating working capital:		
Increase in restricted cash endowment	–	(40,000)
Decrease (increase) in donations receivables	384,390	(373,566)
Decrease in harmonized sales tax receivables	9,460	13,573
Decrease (increase) in prepaid expenditures and other assets	(82,254)	12,484
Increase (decrease) in accounts payable and accrued liabilities	(111,644)	3,725
Increase (decrease) in accrued grant expenditures	41,318	(120,480)
Increase in deferred contributions	526,562	65,188
Decrease in accrued donation disbursements	–	(165,496)
Increase (decrease) in due to related parties	301,840	(5,304)
	2,519,217	1,358,391
Investing activities:		
Purchase of capital assets	(44,082)	(88,321)
Increase in short-term investments	(886,737)	(1,621,613)
	(930,819)	(1,709,934)
Financing activities:		
Endowment contributions (note 7)	–	40,000
Increase (decrease) in cash and cash equivalents	1,588,398	(311,543)
Cash and cash equivalents, beginning of year	6,147,691	6,459,234
Cash and cash equivalents, end of year	$ 7,736,089	$ 6,147,691

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 expenditures:

The Foundation classifies expenditures 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 expenditures.

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, however it is often not practical to calculate the fair value of benefits received from contributed materials.

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	3 - 10 years

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 year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Capital assets:

2018	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	$ 88,746	$ 36,725	$ 52,021
Leasehold improvements	348,467	82,286	266,181
	$ 437,213	$ 119,011	$ 318,202

2017	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	$ 65,462	$ 24,363	$ 41,099
Leasehold improvements	327,669	42,501	285,168
	$ 393,131	$ 66,864	$ 326,267

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 $1,159,750 (2017 - $1,058,000) from such related parties, including $1,000,000 (2017 - $1,000,000) in directed donation revenue to subsidize a portion of the Foundation's remuneration costs and its administrative costs. During 2018, there were related party expenditures of $26,475 (2017 - $25,692), relating to merchandise purchases made from the Club. During 2018, there were related party expenditures of $9,621 (2017 - $6,236), 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 $ 1,735,234 (2017 - $1,967,907) in respect of salary expenditures and bonuses invoiced by the Club to the Foundation. Included in due to related parties is $423,631 (2017 - $121,791) owing to the Club for accrued salaries and miscellaneous operating expenditures.

4. Commitments:

In 2017, the Foundation entered into a three year agreement with Dr. Jays Children's Grief Program for $110,000. $50,000 was paid in 2017, $35,000 was paid in 2018 and the final installment of $25,000 will be paid in 2019.

In 2017, the Foundation entered into a three year agreement with Youth Assisting Youth for $75,000. $30,000 was paid in 2017, $25,000 was paid in 2018 and the final installment of $20,000 will be paid in 2019.

In 2017, the Foundation entered into a three year agreement with Kids Up Front Foundation Toronto for $75,000. $25,000 was paid in 2017 and 2018, and final installment of $25,000 will be paid in 2019.

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.

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. The Foundation has $2,508,350 of short-term investments that are invested in a Canadian Monthly Income Fund.

6. Deferred contributions:

Deferred contributions are related to donations received for future events.

	2018	2017
Balance, beginning of year	$ 173,438	$ 108,250
Amount recognized as revenue	(173,438)	(108,250)
Amount received related to future periods	700,000	173,438
Balance, end of year	$ 700,000	$ 173,438

7. Restricted net assets:

On October 14, 2016, the Foundation received an endowment gift of $50,000, of which $10,000 was received in 2016 and $40,000 was received in 2017. The gift will be held in perpetuity with the interest earned to be used for the Take Me Out to the Ball Game program.

8. Internally restricted net assets:

In 2017, following approval by the Board of Directors, the Foundation committed $1,000,000 towards the future construction of a fully accessible baseball diamond in partnership with the City of Toronto. As of November 30, 2018, an agreement between the Foundation and the City of Toronto has not been signed. The Board of Directors has internally restricted $1,000,000 of net assets towards this future project.