

Financial Statements of

JAYS CARE FOUNDATION

Year ended November 30, 2015



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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, 2015, the statements of operations and 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, 2015 and unrestricted net assets reported in the statement of financial position as at November 30, 2015.

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, 2015, 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.



Chartered Professional Accountants, Licensed Public Accountants

April 8, 2016
Toronto, Canada

JAYS CARE FOUNDATION

Statement of Financial Position

November 30, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,615,497	\$ 2,535,930
Donations receivables	252,451	195,354
Harmonized sales tax and goods and services tax receivables	55,808	29,613
Prepaid expenditures	83,333	70,299
	<u>4,007,089</u>	<u>2,831,196</u>
Capital assets (note 2)	25,299	101,536
	<u>\$ 4,032,388</u>	<u>\$ 2,932,732</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 143,158	\$ 71,612
Deferred contributions (note 6)	36,700	750
Accrued donation disbursements	176,467	48,814
Due to related parties (note 3)	72,376	104,050
	<u>428,701</u>	<u>225,226</u>
Net assets:		
Unrestricted	3,603,687	2,707,506
Commitments (note 4)		
Subsequent events (note 7)		
	<u>\$ 4,032,388</u>	<u>\$ 2,932,732</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

JAYS CARE FOUNDATION

Statement of Operations and Net Assets

Year ended November 30, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Donations:		
Player	\$ 356,110	\$ 305,604
Directed (note 3)	1,070,187	1,068,260
Other	387,266	134,660
	<u>1,813,563</u>	<u>1,508,524</u>
Fundraising:		
Gala	1,119,285	1,006,104
Golf Tournament	731,341	770,616
Broadcast Auction	315,135	255,755
Charity Home Run Derby	94,977	226,687
Club 12 Program	126,500	147,458
50/50 Draws	1,347,750	654,779
In-stadium Fundraising	223,401	149,840
Third Party Fundraisers	354,200	234,956
Interest and other	27,690	27,259
	<u>4,340,279</u>	<u>3,473,454</u>
	6,153,842	4,981,978
Expenditures:		
Programs and grants:		
Field of Dreams	1,496,246	1,220,044
Grand Slam Grants and other disbursements	696,972	586,664
Home Run Scholars	119,216	128,381
Rookie League	424,479	444,162
Jays Care Community Clubhouse	88,478	193,339
Blue Jays/Amateur Baseball/Community Initiatives	228,755	194,884
Volunteer Program	19,587	34,952
Program remuneration	389,627	416,248
Jr. RBI Classic	-	13,156
	<u>3,463,360</u>	<u>3,231,830</u>
Fundraising:		
Gala	394,701	372,736
Golf Tournament	126,748	109,514
Charity Home Run Derby	19,345	65,214
50/50 Draws	89,457	39,661
Broadcast Auction	43,067	25,559
In-stadium and other fundraising	37,969	65,852
Third Party Fundraising	89,467	-
Club 12 Program	65,305	60,947
Fundraising remuneration	454,564	437,061
	<u>1,320,623</u>	<u>1,176,544</u>
Other:		
Administration remuneration	238,105	174,234
General and administration	159,336	219,494
Depreciation	76,237	75,725
	<u>473,678</u>	<u>469,453</u>
	5,257,661	4,877,827
Excess of revenue over expenditures	896,181	104,151
Net assets, beginning of year	2,707,506	2,603,355
Net assets, end of year	<u>\$ 3,603,687</u>	<u>\$ 2,707,506</u>

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Cash Flows

Year ended November 30, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 896,181	\$ 104,151
Depreciation which does not involve cash	76,237	75,725
Change in non-cash operating working capital:		
Increase in donations receivables	(57,097)	(137,797)
Decrease (increase) in harmonized sales tax and goods and services tax receivables	(26,195)	24,293
Decrease (increase) in prepaid expenditures	(13,034)	3,779
Increase (decrease) in accounts payable and accrued liabilities	71,546	(48,180)
Increase (decrease) in deferred contributions	35,950	(38,242)
Increase in accrued donation disbursements	127,653	20,311
Increase (decrease) in due to related parties	(31,674)	22,677
	<u>1,079,567</u>	<u>26,717</u>
Investing activities:		
Purchase of capital assets	-	(7,674)
Increase in cash and cash equivalents	1,079,567	19,043
Cash and cash equivalents, beginning of year	2,535,930	2,516,887
Cash and cash equivalents, end of year	<u>\$ 3,615,497</u>	<u>\$ 2,535,930</u>

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Notes to Financial Statements

Year ended November 30, 2015

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.

Certain prior year balances have been reclassified to conform to the current year presentation and better align with the nature of revenue and expenditures. This resulted in \$234,956 being reclassified from donations revenue to fundraising revenue, and \$60,947 being reclassified from program and donation disbursement expenditures to fundraising expenditures in the statement of operations and net assets for the year ended November 30, 2014.

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 and net assets 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 related to the administration of the Foundation.

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2015

1. Significant accounting policies (continued):

(c) 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, 2015 and 2014.

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.

(d) Cash and cash equivalents:

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

(e) 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 years, being the lease term

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2015

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.

(f) 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.

(g) 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.

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Notes to Financial Statements (continued)

Year ended November 30, 2015

2. Capital assets:

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
	<u>\$ 400,580</u>	<u>\$ 375,281</u>	<u>\$ 25,299</u>

2014	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	\$ 45,775	\$ 27,278	\$ 18,497
Leasehold improvements	354,805	271,766	83,039
	<u>\$ 400,580</u>	<u>\$ 299,044</u>	<u>\$ 101,536</u>

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 \$1,213,597 (2014 - \$1,184,000) from such related parties, including \$1,000,000 (2014 - \$1,000,000) in directed donation revenue to subsidize a portion of the Foundation's remuneration costs and its administrative costs. During 2015, there were related party expenses of \$22,487 (2014 - \$26,836), relating to merchandise purchases made from the Club.

The Club is responsible for the initial payment of certain 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 \$1,082,296 (2014 - \$1,027,543) in respect of salary expenditures and bonuses invoiced by the Club to the Foundation. Included in due to related parties is \$ 72,376 (2014 - \$104,050) owing to the Club for accrued salaries and miscellaneous operating expenditures.

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Notes to Financial Statements (continued)

Year ended November 30, 2015

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 and 2015 and \$110,000 will be paid each remaining year until 2017.

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 and \$117,500 was paid in 2015. The remaining commitment will be paid as follows: 2016 - \$130,000; and 2017 - \$142,500.

In 2014, the Board of Directors approved grants totaling \$785,000 to the YMCA. \$200,000 was paid in each of 2014 and 2015. The remaining balance will be paid as follows: 2016 - \$190,000; and 2017 - \$195,000.

5. Financial risks and concentration of credit risk:

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 2014.

6. Deferred contributions:

Deferred contributions are related to donations received for future events.

	2015	2014
Balance, beginning of year	\$ 750	\$ 38,992
Amount recognized as revenue	(750)	(38,992)
Amount received related to future periods	36,700	750
Balance, end of year	\$ 36,700	\$ 750

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2015

7. Subsequent events:

On February 19, 2016, the Foundation entered into an agreement with a donor to receive a gift of \$1,220,000. The gift will be received by the Foundation in equal annual installments of \$305,000 over a 4-year period commencing on March 31, 2016. The gift is to be allocated to the Challenger Baseball and Rookie League programs.

On March 24, 2016, the Board of Directors approved grants totaling \$401,654 to 12 organizations, which will be paid during 2016.