Financial Statements of

JAYS CARE FOUNDATION

And Independent Auditors' Report thereon

Year ended November 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Jays Care Foundation

Opinion

We have audited the financial statements of the Jays Care Foundation (the Entity), which comprise:

- the statement of financial position as at November 30, 2019
- the statement of operations for the year ended November 30, 2019
- the statement of changes net assets for the year ended November 30, 2019
- the statement of cash flows for the year ended November 30, 2019
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at November 30, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 26, 2020

JAYS CARE FOUNDATION

Statement of Financial Position

November 30, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	$ 6,504,493	$ 7,736,089
Restricted cash endowment (note 7)	50,000	50,000
Short-term investments	2,669,015	2,508,350
Donations receivables	567,704	88,811
Harmonized sales tax receivables	213,728	106,924
Prepaid expenditures and other assets	33,476	32,368
	10,038,416	10,522,542
Capital assets (note 2)	261,773	318,202
	$ 10,300,189	$ 10,840,744
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,581	$ 17,782
Accrued grant expenditures	1,018,549	683,166
Deferred contributions (note 6)	698,934	700,000
Due to related parties (note 3)	178,487	258,473
	1,898,551	1,659,421
Net assets:		
Restricted (note 7)	50,000	50,000
Internally restricted (note 8)	–	1,000,000
Unrestricted	8,351,638	8,131,323
	8,401,638	9,181,323
Commitments (note 4)		
Subsequent events (note 10)		
	$ 10,300,189	$ 10,840,744

See accompanying notes to financial statements

On behalf of the Board:

"Melinda Rogers" Director

"Stuart Hutcheson" Director

JAYS CARE FOUNDATION

Statement of Operations

Year ended November 30, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Donations:		
Directed (note 3)	$ 2,990,319	$ 2,928,668
Other	429,717	658,373
	3,420,036	3,587,041
Fundraising:		
Gala	1,527,101	1,554,187
Golf Tournament	939,725	938,251
Broadcast Auction	218,896	240,865
Poker Tournament	35,000	142,850
Basebowl	53,250	–
Behind the Plate	152,500	133,600
50/50 Draws	2,380,874	2,797,897
In-stadium Fundraising	273,607	193,732
Third Party Fundraisers	443,547	559,043
Interest and other (net)	321,144	99,141
	6,345,644	6,659,566
	9,765,680	10,246,607
Expenditures:		
Programs and grants:		
Field of Dreams	2,595,300	1,544,813
Grand Slam Grants and other disbursements	123,745	101,937
Home Run Scholars	319,599	759,003
Rookie League	1,524,506	1,640,771
Take Me Out to the Ball Game (Jays Care Community Clubhouse)	179,762	177,552
Blue Jays/Amateur Baseball/Community Initiatives	165,094	103,613
JCF Program Expense	1,736,577	750,346
Program remuneration (note 3)	1,156,372	898,678
	7,800,955	5,976,713
Fundraising:		
Gala	640,349	597,001
Golf Tournament	198,500	197,807
50/50 Draws	478,828	645,891
Broadcast Auction	45,056	41,564
In-stadium and other fundraising	132,966	90,590
Third Party Fundraising	16,590	130,446
Behind the Plate	32,954	27,404
Poker Tournament	5,928	53,751
Fundraising remuneration (note 3)	588,329	531,675
	2,139,500	2,316,129
Other:		
Administration remuneration (note 3)	284,021	304,881
General and administration	264,460	199,339
Depreciation	56,429	52,147
	604,910	556,367
	10,545,365	8,849,209
Excess (deficiency) of revenue over expenditures	$ (779,685)	$ 1,397,398

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Changes in Net Assets

Year ended November 30, 2019, with comparative information for 2018

2019	Unrestricted	Internally restricted	Restricted	Total
Net assets, beginning of year	$ 8,131,323	$ 1,000,000	$ 50,000	$ 9,181,323
Reclassification of net assets	1,000,000	(1,000,000)	–	–
Deficiency of revenue over expenditures	(779,685)	–	–	(779,685)
Net assets, end of year	$ 8,351,638	$ –	$ 50,000	$ 8,401,638

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

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Cash Flows

Year ended November 30, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	$ (779,685)	$ 1,397,398
Depreciation which does not involve cash	56,429	52,147
Change in non-cash operating working capital:		
Decrease (increase) in donations receivables	(478,893)	384,390
Decrease (increase) in harmonized sales tax receivables	(106,804)	9,460
Decrease (increase) in prepaid expenditures and other assets	(1,108)	82,904
Decrease in accounts payable and accrued liabilities	(15,201)	(111,644)
Increase in accrued grant expenditures	335,383	41,318
Increase (decrease) in deferred contributions	(1,066)	526,562
Increase (decrease) in due to related parties	(79,986)	136,682
	(1,070,931)	2,519,217
Investing activities:		
Purchase of capital assets	–	(44,082)
Increase in short-term investments	(160,665)	(886,737)
	(160,665)	(930,819)
Increase (decrease) in cash and cash equivalents	(1,231,596)	1,588,398
Cash and cash equivalents, beginning of year	7,736,089	6,147,691
Cash and cash equivalents, end of year	$ 6,504,493	$ 7,736,089

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:

2019	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	$ 88,746	$ 49,576	$ 39,170
Leasehold improvements	348,467	125,864	222,603
	$ 437,213	$ 175,440	$ 261,773

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

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 $1,243,959 (2018 - $1,159,750) from such related parties, including $1,000,000 (2018 - $1,000,000) in directed donation revenue to subsidize a portion of the Foundation's remuneration costs and its administrative costs. During 2019, there were related party expenditures of $18,716 (2018 - $26,475), relating to merchandise purchases made from the Club. During 2019, there were related party expenditures of $8,541 (2018 - $9,621), 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 $2,028,722 (2018 - $1,735,234) in respect of salary expenditures and bonuses invoiced by the Club to the Foundation. Included in due to related parties is $178,487 (2018 - $258,473) owing to the Club for accrued salaries and miscellaneous operating expenditures.

4. Commitments:

There are no outstanding multi-year commitments in 2019.

In early 2020, the Foundation committed $296,927 to programing partners that will be paid throughout the 2020 fiscal year.

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 $2,669,015 (2018 - $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.

	2019	2018
Balance, beginning of year	$ 700,000	$ 173,438
Amount recognized as revenue	(191,758)	(173,438)
Amount received related to future periods	190,692	700,000
Balance, end of year	$ 698,934	$ 700,000

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 an accessible baseball diamond in partnership with the City of Toronto and classified $1,000,000 of the Foundation's net assets as internally restricted until such time as the project was approved by the City of Toronto. As of November 30, 2019, the agreement between the Foundation and the City of Toronto has been signed. The $1,000,000 internally restricted net assets have been reclassified to unrestricted net assets.

9. Comparative figures:

Certain comparative figures as at and for the year ended November 30, 2018 have been reclassified to conform to the financial statement presentation adopted in the current year.

10. Subsequent events:

On March 26, 2020, the Board of Directors approved grants totaling $1,156,023 to multiple organizations through the Field of Dreams program.