

Financial Statements of

JAYS CARE FOUNDATION

And Independent Auditors' Report thereon

Year ended November 30, 2020



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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, 2020
- the statement of operations for the year ended November 30, 2020
- the statement of changes in net assets for the year ended November 30, 2020
- the statement of cash flows for the year ended November 30, 2020
- 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, 2020, 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

April 22, 2021

JAYS CARE FOUNDATION

Statement of Financial Position

November 30, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,529,539	\$ 6,504,493
Restricted cash endowment (note 7)	50,000	50,000
Short-term investments	2,762,438	2,669,015
Donations receivables	272,755	567,704
Harmonized sales tax receivables	75,859	213,728
Prepaid expenditures and other assets	25,759	33,476
	<u>10,716,350</u>	<u>10,038,416</u>
Capital assets (note 2)	209,089	261,773
	<u>\$ 10,925,439</u>	<u>\$ 10,300,189</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 96,434	\$ 2,581
Accrued grant expenditures	1,509,587	1,018,549
Deferred contributions (note 6)	288,237	698,934
Due to related parties (note 3)	225,596	178,487
	<u>2,119,854</u>	<u>1,898,551</u>
Net assets:		
Restricted (note 7)	50,000	50,000
Internally restricted	—	—
Unrestricted	8,755,585	8,351,638
	<u>8,805,585</u>	<u>8,401,638</u>
Commitments (note 4)		
Subsequent events (note 9)		
	<u>\$ 10,925,439</u>	<u>\$ 10,300,189</u>

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, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Donations:		
Directed (note 3)	\$ 4,015,567	\$ 2,990,319
Other	503,477	429,717
	<u>4,519,044</u>	<u>3,420,036</u>
Fundraising:		
Gala	842,356	1,527,101
Golf Tournament	566,913	939,725
Broadcast Auction	215,803	218,896
Poker Tournament	-	35,000
Basebowl	25,000	53,250
Behind the Plate	105,000	152,500
50/50 Draws	1,750,415	2,380,874
In-stadium Fundraising	72,136	273,607
Third Party Fundraisers	17,479	443,547
Interest and other (net)	156,267	321,144
	<u>3,751,369</u>	<u>6,345,644</u>
	8,270,413	9,765,680
Expenditures:		
Programs and grants:		
Field Of Dreams	1,237,363	2,595,300
Partner grants and other disbursements	51,311	123,745
Home Run Scholars	86,434	319,599
Rookie League	1,014,426	1,524,506
Take Me Out to the Ball Game (Jays Care Community Clubhouse)	39,269	179,762
Blue Jays/Amateur Baseball/Community Initiatives	1,991,150	165,094
JCF Program Expense	935,833	1,736,577
Program remuneration (note 3)	1,066,726	1,156,372
	<u>6,422,512</u>	<u>7,800,955</u>
Fundraising:		
Gala	27,999	640,349
Golf Tournament	56,073	198,500
50/50 Draws	234,812	478,828
Broadcast Auction	32,181	45,056
In-stadium and other fundraising	51,492	132,966
Third Party Fundraising	14,211	16,590
Behind the Plate	604	32,954
Poker Tournament	-	5,928
Fundraising remuneration (note 3)	561,435	588,329
	<u>978,807</u>	<u>2,139,500</u>
Other:		
Administration remuneration (note 3)	243,288	284,021
General and administration	169,174	264,460
Depreciation	52,685	56,429
	<u>465,147</u>	<u>604,910</u>
	7,866,466	10,545,365
Excess (deficiency) of revenue over expenditures	\$ 403,947	\$ (779,685)

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Changes in Net Assets

Year ended November 30, 2020, with comparative information for 2019

2020	Unrestricted	Internally restricted	Restricted	Total
Net assets, beginning of year	\$ 8,351,638	\$ –	\$ 50,000	\$ 8,401,638
Reclassification of net assets	–	–	–	–
Excess of revenue over expenditures	403,947	–	–	403,947
Net assets, end of year	\$ 8,755,585	\$ –	\$ 50,000	\$ 8,805,585

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

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Cash Flows

Year ended November 30, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 403,947	\$ (779,685)
Depreciation which does not involve cash	52,685	56,429
Change in non-cash operating working capital:		
Decrease (increase) in donations receivables	294,949	(478,893)
Decrease (increase) in harmonized sales tax receivables	137,869	(106,804)
Decrease (increase) in prepaid expenditures and other assets	7,717	(1,108)
Increase (decrease) in accounts payable and accrued liabilities	93,853	(15,201)
Increase in accrued grant expenditures	491,037	335,383
Decrease in deferred contributions	(410,697)	(1,066)
Increase (decrease) in due to related parties	47,109	(79,986)
	<u>1,118,469</u>	<u>(1,070,931)</u>
Investing activities:		
Increase in short-term investments	(93,423)	(160,665)
Increase (decrease) in cash and cash equivalents	1,025,046	(1,231,596)
Cash and cash equivalents, beginning of year	6,504,493	7,736,089
Cash and cash equivalents, end of year	<u>\$ 7,529,539</u>	<u>\$ 6,504,493</u>

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Notes to Financial Statements

Year ended November 30, 2020

The Jays Care Foundation (the "Foundation") was incorporated without share capital with the purpose to fund 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.

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2020

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

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.

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2020

1. Significant accounting policies (continued):

(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.

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2020

2. Capital assets:

2020	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	\$ 61,693	\$ 35,783	\$ 25,910
Leasehold improvements	348,468	165,289	183,179
	<u>\$ 410,161</u>	<u>\$ 201,072</u>	<u>\$ 209,089</u>

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
	<u>\$ 437,213</u>	<u>\$ 175,440</u>	<u>\$ 261,773</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 \$1,150,955 (2019 - \$1,243,959) from such related parties, including \$1,000,000 (2019 - \$1,000,000) in directed donation revenue to subsidize a portion of the Foundation's remuneration costs and its administrative costs. During 2020, there were related party expenditures of \$8,806 (2019 - \$18,716), relating to merchandise purchases made from the Club. During 2020, there were related party expenditures of nil (2019 - \$8,541), 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 \$1,871,449 (2019 - \$2,028,722) in respect of salary expenditures and bonuses invoiced by the Club to the Foundation. Included in due to related parties is \$225,596 (2019 - \$178,487) owing to the Club for accrued salaries and miscellaneous operating expenditures.

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2020

4. Commitments:

In 2020, the Foundation entered into a two-year agreement with Moorelands Community Services in the amount of \$47,000. Of this amount, \$32,000 was disbursed in 2020 with the remaining \$15,000 to be disbursed in 2021.

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 \$2,762,438 (2019 - \$2,669,015) 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.

	2020	2019
Balance, beginning of year	\$ 698,934	\$ 700,000
Amount recognized as revenue	(415,077)	(191,758)
Amount received related to future periods	4,380	190,692
Balance, end of year	\$ 288,237	\$ 698,934

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.

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2020

8. COVID-19

During 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Foundation's financial position in the future. Through the Toronto Blue Jays, the Foundation applied for, and received, \$809,059 from the Canada Emergency Wage Subsidy. This amount has been included in directed donations revenue in accordance with the Foundation's accounting policy for government grants.

9. Subsequent events:

On April 22, 2021, the Board of Directors approved grants totaling \$1,028,165 to multiple organizations through the Field Of Dreams program.