

Financial Statements of

**JAYS CARE FOUNDATION**

And Independent Auditors' Report thereon

Year ended November 30, 2021



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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, 2021
- the statement of operations for the year ended November 30, 2021
- the statement of changes in net assets for the year ended November 30, 2021
- the statement of cash flows for the year ended November 30, 2021
- 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 end of November 30, 2021, 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.



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- 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.
- 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*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 8, 2022

# JAYS CARE FOUNDATION

## Statement of Financial Position

November 30, 2021, with comparative information for 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,809,918	\$ 7,529,539
Restricted cash (note 7)	2,358,335	50,000
Short-term investments	5,000,207	2,762,438
Donations receivables	332,568	272,755
Harmonized sales tax receivables	137,597	75,859
Prepaid expenditures and other assets	32,450	25,759
	<u>16,671,075</u>	<u>10,716,350</u>
Capital assets (note 2)	161,601	209,089
	<u>\$ 16,832,676</u>	<u>\$ 10,925,439</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,391,006	\$ 96,434
Accrued grant expenditures	962,267	1,509,587
Deferred contributions (note 6)	332,908	288,237
Due to related parties (note 3)	240,087	225,596
	<u>3,926,268</u>	<u>2,119,854</u>
Net assets:		
Restricted (note 7)	50,000	50,000
Internally restricted	—	—
Unrestricted	12,856,408	8,755,585
	<u>12,906,408</u>	<u>8,805,585</u>
Commitments (note 4)		
Subsequent events (note 1 and 9)		
	<u>\$ 16,832,676</u>	<u>\$ 10,925,439</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, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Donations:		
Directed (note 3)	\$ 3,976,458	\$ 4,015,567
Other	680,376	503,477
	4,656,834	4,519,044
Fundraising:		
Gala	–	842,356
Golf Tournament	1,339,729	566,913
Broadcast Auction	235,279	215,803
Basebowl	–	25,000
Behind the Plate	84,000	105,000
50/50 Draws	6,025,672	1,750,415
In-stadium Fundraising	204,049	72,136
Third Party Fundraisers	20,801	17,479
Interest and other (net)	208,580	156,267
	8,118,110	3,751,369
Total revenue	12,774,944	8,270,413
Expenditures:		
Programs and grants:		
Field Of Dreams	1,017,539	1,237,363
Partner grants and other disbursements	184,603	51,311
Home Run Scholars	123,992	86,434
Rookie League	1,507,365	1,014,426
Take Me Out to the Ball Game (Jays Care Community Clubhouse)	48,949	39,269
Blue Jays/Amateur Baseball/Community Initiatives	1,205,434	1,991,150
JCF Program Expense	957,520	935,833
Program remuneration (note 3)	1,244,067	1,066,726
	6,289,469	6,422,512
Fundraising:		
Gala	–	27,999
Golf Tournament	178,534	56,073
50/50 Draws	997,048	234,812
Broadcast Auction	33,114	32,181
In-stadium and other fundraising	51,815	51,492
Third Party Fundraising	8,901	14,211
Behind the Plate	6,322	604
Fundraising remuneration (note 3)	660,725	561,435
	1,936,459	978,807
Other:		
Administration remuneration (note 3)	299,828	243,288
General and administration	100,877	169,174
Depreciation	47,488	52,685
	448,193	465,147
Total expenditures	8,674,121	7,866,466
Excess of revenue over expenditures	\$ 4,100,823	\$ 403,947

See accompanying notes to financial statements.

# JAYS CARE FOUNDATION

## Statement of Changes in Net Assets

Year ended November 30, 2021, with comparative information for 2020

2021	Unrestricted	Internally restricted	Restricted	Total
Net assets, beginning of year	\$ 8,755,585	\$ –	\$ 50,000	\$ 8,805,585
Reclassification of net assets	–	–	–	–
Excess of revenue over expenditures	4,100,823	–	–	4,100,823
<b>Net assets, end of year</b>	<b>\$ 12,856,408</b>	<b>\$ –</b>	<b>\$ 50,000</b>	<b>\$ 12,906,408</b>

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
<b>Net assets, end of year</b>	<b>\$ 8,755,585</b>	<b>\$ –</b>	<b>\$ 50,000</b>	<b>\$ 8,805,585</b>

See accompanying notes to financial statements.

# JAYS CARE FOUNDATION

## Statement of Cash Flows

Year ended November 30, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 4,100,823	\$ 403,947
Depreciation which does not involve cash	47,488	52,685
(Increase) in restricted cash	(2,308,335)	—
Change in non-cash operating working capital:		
(Increase) decrease in donations receivables	(59,813)	294,949
(Increase) decrease in harmonized sales tax receivables	(61,738)	137,869
(Increase) decrease in prepaid expenditures and other assets	(6,691)	7,717
Increase in accounts payable and accrued liabilities	2,294,572	93,853
(Decrease) increase in accrued grant expenditures	(547,320)	491,037
Increase (decrease) in deferred contributions	44,671	(410,697)
Increase in due to related parties	14,491	47,109
	<u>3,518,148</u>	<u>1,118,469</u>
Investing activities:		
Increase in short-term investments	(2,237,769)	(93,423)
	<u>1,280,379</u>	<u>1,025,046</u>
Increase in cash and cash equivalents	1,280,379	1,025,046
Cash and cash equivalents, beginning of year	7,529,539	6,504,493
	<u>\$ 8,809,918</u>	<u>\$ 7,529,539</u>

See accompanying notes to financial statements.



# JAYS CARE FOUNDATION

Notes to Financial Statements

Year ended November 30, 2021

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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.

The Foundation recognizes 50/50 draws revenue net of the prize payments won and distributed to the winning draw customer. In accordance with the Foundation's Electronic 50/50 Raffle Rules of Play and the AGCO Lottery Licensing Policy Manual, any unclaimed prizes are recognized as accrued liabilities for a six-month period. Prizes expire after six-months of being unclaimed at which point the amount is recognized in 50/50 draws revenue once the corresponding grant has been disbursed to the AGCO approved beneficiaries. As at November 30, 2021, the Foundation had \$2,308,335 (2020 - \$61,845) of unclaimed prizes recognized as accrued liabilities. In 2021 the Foundation recognized \$61,845 (2020 - nil) in 50/50 draws revenue for expired unclaimed prizes. Subsequent to November 30, 2021, the Foundation paid out \$1,986,355 relating to previously unclaimed prizes from fiscal 2021.

### (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 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.

# JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2021

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## 1. Significant accounting policies (continued):

### (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 several 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.

### (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.

# JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2021

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## 1. Significant accounting policies (continued):

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

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Computer hardware and associated software	5 years
Leasehold improvements	3 - 10 years

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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.

# JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2021

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## 1. Significant accounting policies (continued):

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:

2021	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	\$ 61,693	\$ 43,845	\$ 17,848
Leasehold improvements	348,468	204,715	143,753
	<u>\$ 410,161</u>	<u>\$ 248,560</u>	<u>\$ 161,601</u>

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>

# JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2021

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### 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 \$1,077,391 (2020 - \$1,150,955) from such related parties, including \$1,000,000 (2020 - \$1,000,000) in directed donation revenue to subsidize a portion of the Foundation's remuneration costs and its administrative costs. During 2021, there were related party expenditures of \$1,640 (2020 - \$8,806), relating to merchandise purchases made from the Club. During 2021, there were related party expenditures of \$9,000 (2020 - 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 \$2,204,620 (2020 - \$1,871,449) in respect of salary expenditures and bonuses invoiced by the Club to the Foundation. Included in due to related parties is \$240,087 (2020 - \$225,596) owing to the Club for accrued salaries and miscellaneous operating expenditures.

### 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 and \$15,000 was disbursed in 2021 fulfilling the agreement.

No new multi-year agreements were signed 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.

# JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2021

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## 5. Financial instruments (continued):

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 \$5,000,207 (2020 - \$2,762,438) 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.

	2021	2020
Balance, beginning of year	\$ 288,237	\$ 698,934
Amount recognized as revenue	(23,329)	(415,077)
Amount received related to future periods	68,000	4,380
Balance, end of year	\$ 332,908	\$ 288,237

## 7. Restricted cash:

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.

In accordance with the Foundation's Electronic 50/50 Raffle Rules of Play and the AGCO Lottery Licensing Policy Manual, any unclaimed 50/50 draw prizes are to be held in trust for six months. As at November 30, 2021, the Foundation had \$2,308,335 of unclaimed 50/50 draw prizes.

# JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2021

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## **8. COVID-19:**

The COVID-19 pandemic (COVID-19) significantly affected the Foundation's operating results in 2020. In 2021, COVID-19 still had an impact as no Gala event was hosted; however, the Foundation experienced significant growth in other revenue streams, primarily driven by 50/50 draws revenue with the effect of the Toronto Blue Jays returning to Toronto and attendance levels having less restrictions. Due to the uncertainty surrounding the duration and potential outcomes of COVID-19, and the unpredictable and continuously changing impacts and related government responses, there is more uncertainty associated with the Foundation's assumptions, expectations, and estimates. In fiscal 2021, through the Toronto Blue Jays, the Foundation applied for, and received, \$58,645 (2020 - \$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 8, 2022, the Board of Directors approved grants totaling \$1,258,918 to multiple organizations through the Field Of Dreams program.