

Financial Statements of

JAYS CARE FOUNDATION

And Independent Auditor's Report thereon

Year ended November 30, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Jays Care Foundation

Opinion

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

- the statement of financial position as at November 30, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- 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, 2022, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 11, 2023

JAYS CARE FOUNDATION

Statement of Financial Position

November 30, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,340,299	\$ 8,809,918
Restricted cash (note 7)	70,000	2,358,335
Short-term investments	7,379,706	5,000,207
Donations receivables	607,774	332,568
Harmonized sales tax receivables	307,346	137,597
Prepaid expenditures and other assets	35,663	32,450
	<u>18,740,788</u>	<u>16,671,075</u>
Capital assets (note 2)	212,352	161,601
	<u>\$ 18,953,140</u>	<u>\$ 16,832,676</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 75,241	\$ 2,391,006
Accrued grant expenditures	929,973	962,267
Deferred contributions (note 6)	386,345	332,908
Due to related parties (note 3)	262,106	240,087
	<u>1,653,665</u>	<u>3,926,268</u>
Net assets:		
Restricted (note 7)	70,000	50,000
Internally restricted	—	—
Unrestricted	17,229,475	12,856,408
	<u>17,299,475</u>	<u>12,906,408</u>
Commitments (note 4)		
Subsequent events (notes 7 and 9)		
	<u>\$ 18,953,140</u>	<u>\$ 16,832,676</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, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Donations:		
Directed (note 3)	\$ 4,540,610	\$ 3,976,458
Other	386,129	680,376
	<u>4,926,739</u>	<u>4,656,834</u>
Fundraising:		
Gala	1,625,836	–
Golf Tournament	1,090,920	1,339,729
Broadcast Auction	364,514	235,279
Behind the Plate	96,250	84,000
50/50 Draws	9,995,535	6,025,672
In-stadium Fundraising	475,976	204,049
Third Party Fundraisers	279,023	20,801
Unrealized investment gains, net	–	104,769
Interest and other (net)	358,600	103,811
	<u>14,286,654</u>	<u>8,118,110</u>
Total revenue	19,213,393	12,774,944
Expenditures:		
Programs and grants:		
Field Of Dreams	1,612,133	1,017,539
Partner grants and other disbursements	190,200	184,603
Home Run Scholars	52,807	123,992
Rookie League	2,253,153	1,507,365
Take Me Out to the Ball Game (Jays Care Community Clubhouse)	175,279	48,949
Community Initiatives	1,872,063	1,205,434
JCF Program Expense	1,837,844	957,520
Program remuneration (note 3)	1,644,716	1,244,067
	<u>9,638,195</u>	<u>6,289,469</u>
Fundraising:		
Gala	646,419	–
Golf Tournament	225,392	178,534
50/50 Draws	1,623,507	997,048
Broadcast Auction	66,205	33,114
In-stadium and other fundraising	59,089	51,815
Third Party Fundraising	22,009	8,901
Behind the Plate	5,036	6,322
Unrealized investment losses, net	1,120,501	–
Fundraising remuneration (note 3)	849,946	660,725
	<u>4,618,104</u>	<u>1,936,459</u>
Other:		
Administration remuneration (note 3)	364,222	299,828
General and administration	171,923	100,877
Depreciation	47,882	47,488
	<u>584,027</u>	<u>448,193</u>
Total expenditures	14,840,326	8,674,121
Excess of revenue over expenditures	\$ 4,373,067	\$ 4,100,823

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Changes in Net Assets

Year ended November 30, 2022, with comparative information for 2021

2022	Unrestricted	Internally restricted	Restricted	Total
Net assets, beginning of year	\$ 12,856,408	\$ –	\$ 50,000	\$ 12,906,408
Endowment contributions	–	–	20,000	20,000
Excess of revenue over expenditures	4,373,067	–	–	4,373,067
Net assets, end of year	\$ 17,229,475	\$ –	\$ 70,000	\$ 17,299,475

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

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Statement of Cash Flows

Year ended November 30, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 4,373,067	\$ 4,100,823
Depreciation which does not involve cash	47,882	47,488
Unrealized investment losses (gains)	1,120,501	(104,769)
Decrease (increase) in restricted cash	2,288,335	(2,308,335)
Change in non-cash operating working capital:		
Increase in donations receivables	(275,206)	(59,813)
Increase in harmonized sales tax receivables	(169,749)	(61,738)
Increase in prepaid expenditures and other assets	(3,213)	(6,691)
(Decrease) increase in accounts payable and accrued liabilities	(2,315,765)	2,294,572
Decrease in accrued grant expenditures	(32,294)	(547,320)
Increase in deferred contributions	53,437	44,671
Increase in due to related parties	22,019	14,491
	<u>5,109,014</u>	<u>3,413,379</u>
Financing activities:		
Endowment contributions (note 7)	20,000	—
Investing activities:		
Purchase of capital assets	(98,633)	—
Changes in short-term investments, net	(3,500,000)	(2,133,000)
	<u>(3,598,633)</u>	<u>(2,133,000)</u>
Increase in cash and cash equivalents	1,530,381	1,280,379
Cash and cash equivalents, beginning of year	8,809,918	7,529,539
Cash and cash equivalents, end of year	<u>\$ 10,340,299</u>	<u>\$ 8,809,918</u>

See accompanying notes to financial statements.

JAYS CARE FOUNDATION

Notes to Financial Statements

Year ended November 30, 2022

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, 2022, the Foundation had nil (2021 - \$2,308,335) unclaimed prizes recognized as accrued liabilities. In 2022, the Foundation recognized \$321,980 (2021 - \$61,845) in 50/50 draws revenue for expired unclaimed prizes.

(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, 2022

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, 2022

1. Significant accounting policies (continued):

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.

(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, 2022

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:

2022	Cost	Accumulated depreciation	Net book value
Computer hardware and associated software	\$ 61,693	\$ 59,808	\$ 1,885
Leasehold improvements	447,101	236,634	210,467
	\$ 508,794	\$ 296,442	\$ 212,352

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
	\$ 410,161	\$ 248,560	\$ 161,601

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2022

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 \$1,526,656 (2021 - \$1,077,391) from such related parties, including \$1,000,000 (2021 - \$1,000,000) in directed donation revenue to subsidize a portion of the Foundation's remuneration costs and its administrative costs. During 2022, there were related party expenditures of \$7,957 (2021 - \$1,640), relating to merchandise purchases made from the Club. During 2022, there were related party expenditures of nil (2021 - \$9,000), 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 \$2,858,884 (2021 - \$2,204,620) in respect of salary expenditures and bonuses invoiced by the Club to the Foundation. In addition, certain Club corporate sponsors include donations to the Foundation within their agreements with the Club. The Club and the Foundation will net the applicable amounts owed to the Foundation from the above expenditure payments. In fiscal 2022, \$882,500 of donations were received from Club corporate sponsors (2021 - \$500,000).

Included in due to related parties is \$262,106 (2021 - \$240,087) owing to the Club for accrued salaries and miscellaneous operating expenditures.

4. Commitments:

No new multi-year agreements were signed in 2022.

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, 2022

5. Financial instruments (continued):

Credit risk:

The Foundation is exposed to credit risk with respect to donations receivables. The Foundation believes there is minimal risk associated with these amounts.

Market risk:

The Foundation is exposed to market risks with respect to its investments. The Foundation has \$7,379,706 (2021 - \$5,000,207) 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.

	2022	2021
Balance, beginning of year	\$ 332,908	\$ 288,237
Amount recognized as revenue	(110,363)	(23,329)
Amount received related to future periods	163,800	68,000
Balance, end of year	\$ 386,345	\$ 332,908

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.

On August 8, 2022, the Foundation received an endowment gift of \$50,000, of which \$20,000 was received January of 2022 and the remaining \$30,000 is scheduled to be received in December of 2022 (\$20,000) and December of 2023 (\$10,000). The gift will be held in perpetuity with the interest earned to be used for leadership development programs amongst youth living in Indigenous and marginalized communities. The fund will be known as The Jerry Bliley Leadership Endowment Fund. Subsequent to November 30, 2022, the Foundation received the December 2022 scheduled payment of \$20,000.

JAYS CARE FOUNDATION

Notes to Financial Statements (continued)

Year ended November 30, 2022

7. Restricted cash (continued):

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, 2022, the Foundation had no unclaimed 50/50 draw prizes.

8. COVID-19:

The COVID-19 pandemic ("COVID-19") did not materially affect the Foundation's operating results in 2022; however, it did impact the operating results in 2021 and significantly affected the operating results in 2020. In 2021, COVID-19 impacted the operating results as no Gala event was hosted; however, the Foundation experienced significant growth in other revenue streams from 2020, primarily driven by 50/50 draws revenue with the effect of the Toronto Blue Jays returning to Toronto and attendance levels having less restrictions. In fiscal 2021, through the Toronto Blue Jays, the Foundation applied for, and received \$58,645 from the Canada Emergency Wage Subsidy. This amount was included in directed donations revenue in accordance with the Foundation's accounting policy for government grants.

9. Subsequent events:

On April 11, 2023, the Board of Directors approved grants totaling \$1,508,007 to multiple organizations through the Field Of Dreams program.