

GOODLIFE KIDS FOUNDATION
Financial Statements
Year Ended December 31, 2018

GOODLIFE KIDS FOUNDATION
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Year Ended December 31, 2018

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MACNEILL EDMUNDSON

PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Members of GoodLife Kids Foundation

Qualified Opinion

We have audited the financial statements of GoodLife Kids Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2018, current assets and net assets as at December 31, 2018. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation of scope.

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 report. We are independent of the Foundation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

(continues)

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

MACNEILL EDMUNDSON

PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT *(continued)*

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 these 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 Foundation'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 Foundation'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 Foundation 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.

We 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.

London, Ontario
May 23, 2019

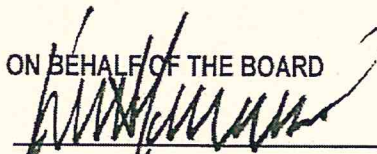
MacNeill Edmundson
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

GOODLIFE KIDS FOUNDATION
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 211,610	\$ 157,543
Marketable securities (Note 3)	1,613,269	1,487,387
Accounts receivable (Note 7)	118,682	90,739
Interest receivable	2,967	-
Harmonized sales tax recoverable	32,134	9,929
Prepaid expenses	6,232	11,228
	<u>\$ 1,984,894</u>	<u>\$ 1,756,826</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 49,737	\$ 28,627
Deferred contributions (Note 5)	-	32,503
	<u>49,737</u>	<u>61,130</u>
NET ASSETS	<u>1,935,157</u>	<u>1,695,696</u>
	<u>\$ 1,984,894</u>	<u>\$ 1,756,826</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

MACNEILL EDMUNDSON
 PROFESSIONAL CORPORATION

GOODLIFE KIDS FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 1,695,696	\$ 1,508,689
EXCESS OF REVENUES OVER EXPENSES	239,461	187,007
NET ASSETS - END OF YEAR	\$ 1,935,157	\$ 1,695,696

GOODLIFE KIDS FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	2018	%	2017	%
REVENUES				
Donations	\$ 1,018,099	98.14	\$ 1,142,140	98.95
Investment income	19,268	1.86	12,129	1.05
	<u>1,037,367</u>	<u>100.00</u>	<u>1,154,269</u>	<u>100.00</u>
EXPENSES (Note 7)				
Sponsorships and donations (Note 8)	314,062	30.27	356,612	30.90
Salaries and wages	273,671	26.38	403,942	35.00
Education, promotion and events	188,787	18.20	187,649	16.26
Meetings and conventions	13,556	1.31	4,499	0.39
Office	5,991	0.58	9,958	0.86
Interest and bank charges	1,640	0.16	2,977	0.26
Travel	199	0.02	1,625	0.14
	<u>797,906</u>	<u>76.92</u>	<u>967,262</u>	<u>83.81</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 239,461</u>	<u>23.08</u>	<u>\$ 187,007</u>	<u>16.19</u>

GOODLIFE KIDS FOUNDATION**Statement of Cash Flows****Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 239,461	\$ 187,007
Changes in non-cash working capital:		
Accounts receivable	(27,943)	(20,039)
Interest receivable	(2,967)	-
Harmonized sales tax payable	(22,205)	6,525
Prepaid expenses	4,996	(4,729)
Accounts payable and accrued liabilities	21,110	17,088
Grants payable	-	(10,735)
Deferred contributions	(32,503)	(42,443)
	(59,512)	(54,333)
Cash flow from operating activities	179,949	132,674
INVESTING ACTIVITY		
Increase in marketable securities	(125,882)	(11,445)
INCREASE IN CASH FLOW	54,067	121,229
Cash - beginning of year	157,543	36,314
CASH - END OF YEAR	\$ 211,610	\$ 157,543

GOODLIFE KIDS FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

NATURE OF THE FOUNDATION

The GoodLife Kids Foundation (the "Foundation") was organized as a community foundation to provide support to a broad range of charitable and educational activities for the benefit of children to promote fitness and enhance self-esteem.

The Foundation was incorporated under *Articles of Incorporation* under the *Corporations Act of Ontario* as a non-profit charitable Foundation without share capital.

Effective January 21, 2000, the Foundation received notification of registration as a registered charity under Section 149.1(l) of the *Income Tax Act (Canada)*. On January 1, 2010 the Foundation was designated a Private Foundation.

1. ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

Revenue Recognition

The Foundation uses the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses were incurred. Unless restricted in any way, all donations are recorded as revenue only as received, or receivable if the amount to be received can be reasonably assured.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known. Actual results could differ from these estimates.

2. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, marketable securities, accounts receivable, accounts payable and accrued liabilities, and grants payable. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

GOODLIFE KIDS FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

3. MARKETABLE SECURITIES

These investments are carried at their market value.

	2018	2017
RBC Premium Investment Account	\$ 858,219	\$ 1,267,044
Guaranteed Investment Certificates	755,050	-
RBC Premium Money Market Account	-	220,343
	<u>\$ 1,613,269</u>	<u>\$ 1,487,387</u>

4. GOVERNMENT REMITTANCES

Accounts payable and accrued liabilities includes \$2,796 (2017 - \$4,488) in government remittances outstanding.

5. DEFERRED CONTRIBUTIONS

Deferred contributions consisted of amounts received for the Spin4Kids event which was held in March of the following fiscal year. The event is now being held in November, resulting in no deferred contributions received.

6. FUNDRAISING

The Foundation receives a significant portion of its donations from its annual Spin4Kids event. As well as facilitating the Spin4Kids event, GoodLife Fitness Clubs has entered into agreements with some of its vendors where contributions are made to the Foundation.

7. RECOVERY OF EXPENSES

GoodLife Fitness Club directly reimburses the Foundation for all administrative and operating costs to an annual maximum of \$320,000. Additional expenditures may also be reimbursed upon approval.

During the current year a total of \$272,780 (2017 - \$251,447) in expenses were recovered, which consisted of the following: Education, promotion and events (\$85,755), insurance (\$1,980), professional fees (\$4,128), office (\$17,088), salaries, wages and benefits (\$163,527) and travel (\$302). As at December 31, 2018 the Foundation is still owed \$118,682 (2017 - \$89,345) relating to these expense recoveries which is included in accounts receivable.

GOODLIFE KIDS FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

8. SPONSORSHIPS AND DONATIONS

	2018	2017
SkateABLE	\$ 30,000	\$ 17,000
Special Olympics Ontario	20,000	4,000
Family Respite Services Windsor Essex	20,000	-
Boys and Girls Club of Durham	15,000	-
NEO Kids Foundation	13,628	-
Halton Down Syndrome Association	10,000	10,000
Children's Rehabilitation Foundation	10,000	9,575
Between Friends	10,000	7,500
Corporation of the City of Woodstock	10,000	-
Centre for Autism Services Alberta	10,000	-
District of Kitimat, Leisure Services	10,000	-
Geneva Centre for Autism Foundation	10,000	-
Investing in Children	10,000	-
Lansdown Children's Centre	10,000	-
The City of St. John's	10,000	-
Propeller Dance	9,950	6,000
Niagara Children's Centre	9,500	-
Ausome Ottawa	9,188	7,000
Child & Community Resources (CCR)	8,000	-
Belleville General Hospital Foundation	7,500	-
Janus Academy Society	6,440	-
Woodstock and District Development Services	6,131	-
Central Nova Women's Resource Centre	6,000	-
East Scarborough Boys & Girls Club	5,100	-
Precious Minds Support Services	5,000	10,000
PROSETAUTISM / AUTISME PROSET INC	5,000	5,500
Richmond Centre for Disability	5,000	5,000
BC Wheelchair Basketball Society	5,000	-
Special Olympics British Columbia Society	5,000	-
The Safehaven Project for Community Living	5,000	-
The Corporation of the City of Kitchener	5,000	-
Wheelchair Basketball Canada (Twin City Spinners)	5,000	-
Can-Am Indian Friendship Centre of Windsor	4,000	-
Pacekids Society for Children with Special Needs	2,625	-
Operation Trackshoes Society	1,000	1,000
Easter Seals Newfoundland and Labrador	-	10,000
Easter Seals Nova Scotia	-	10,000
Giant Steps Toronto/York Region	-	10,000
IWK Foundation	-	10,000
Autism Services	-	10,000
CNIB Newfoundland and Labrador	-	10,000
London Wheelchair Basketball Association	-	10,000
MukiBaum Accessibility Centre	-	10,000
New Brunswick Association for Community Living	-	10,000
Project AIM Programs	-	10,000
Town of Channel Port aux Basques Recreation Department	-	9,530

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GOODLIFE KIDS FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

8. SPONSORSHIPS AND DONATIONS (continued)

	2018	2017
Community Living Belleville and Area	-	8,898
Autism Society of Newfoundland Labrador	-	8,640
Community Living North Bay	-	8,600
Harbourfront Corporation (1990)	-	8,500
Heartland Forest Nature Experience	-	8,450
London Regional Children's Museum	-	8,256
London Track 3	-	8,043
Toronto District School Board (Pineway Public School)	-	7,860
ParaSport and Recreation PEI (Parasport PEI)	-	7,500
Special Olympics Saskatchewan	-	7,000
Christie Lake Kids	-	7,000
ErinoakKids Centre for Treatment and Development	-	6,100
Upper Grand District School Board (Ecole Guelph Lake P.S.)	-	6,031
Annapolis Valley Chapter of Autism Nova Scotia	-	5,000
Nipissing Parry Sound Catholic District School Board (St. Joseph Scollard Hall S.S.)	-	5,000
George Jeffrey Children's Centre	-	5,000
The Boys and Girls Club of Summerside	-	5,000
The Canadian Council of the Blind	-	5,000
Town of Whitechurch-Stouffville	-	5,000
Easter Seals Ontario	-	5,000
Cochrane Temiskaming Children's Treatment Centre	-	5,000
Power for All Adventure Therapy Charity	-	4,500
St. Amant Foundation	-	3,999
Renfrew County District School Board (Admaston Township P.S.)	-	2,600
Niverville Recreation Department (Town of Niverville)	-	2,500
Autism Connections Fredericton	-	2,500
Hamilton & District Extend-A-Family	-	2,500
Cerebral Palsy Association of BC	-	2,000
Lambton Kent District School Board (Indian Creek Public School)	-	1,700
Community Recreational Initiatives Society	-	1,000
Board of Education of School District No. 70 (Alberni District Secondary)	-	330
	\$ 314,062	\$ 356,612