

**GOODLIFE KIDS FOUNDATION**  
**Financial Statements**  
**Year Ended December 31, 2019**

**GOODLIFE KIDS FOUNDATION**  
**Index to Financial Statements**  
**Year Ended December 31, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2019, 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, 2019, 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, 2019, current assets and net assets as at December 31, 2019. Our audit opinion on the financial statements for the year ended December 31, 2018 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*  
*Mark Snyders CPA, CA    Robert F. Edmundson CPA, CA (Retired)*

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**INDEPENDENT AUDITOR'S REPORT** *(continued)*

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*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  
April 27, 2020

*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*  
*Mark Snyders CPA, CA    Robert F. Edmundson CPA, CA (Retired)*

GOODLIFE KIDS FOUNDATION


Statement of Financial Position

December 31, 2019

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>ASSETS</b>                            |                     |                     |
| CURRENT                                  |                     |                     |
| Cash                                     | \$ 237,970          | \$ 211,610          |
| Marketable securities (Note 3)           | 2,017,235           | 1,613,269           |
| Accounts receivable (Note 5)             | 73,996              | 118,682             |
| Interest receivable                      | 2,561               | 2,967               |
| Harmonized sales tax recoverable         | 35,304              | 32,134              |
| Prepaid expenses                         | 10,280              | 6,232               |
|  | <u>\$ 2,377,346</u> | <u>\$ 1,984,894</u> |
| <b>LIABILITIES AND NET ASSETS</b>        |                     |                     |
| CURRENT                                  |                     |                     |
| Accounts payable and accrued liabilities | \$ 47,550           | \$ 49,737           |
| NET ASSETS                               | <u>2,329,796</u>    | <u>1,935,157</u>    |
| LIABILITIES AND NET ASSETS               | <u>\$ 2,377,346</u> | <u>\$ 1,984,894</u> |

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**GOODLIFE KIDS FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2019**

|                                       | <b>2019</b>                | 2018                |
|---------------------------------------|----------------------------|---------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b> | <b>\$ 1,935,157</b>        | \$ 1,695,696        |
| EXCESS OF REVENUES OVER EXPENSES      | <u><b>394,639</b></u>      | <u>239,461</u>      |
| <b>NET ASSETS - END OF YEAR</b>       | <b><u>\$ 2,329,796</u></b> | <u>\$ 1,935,157</u> |

**GOODLIFE KIDS FOUNDATION**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2019**

|   | 2019              | %             | 2018              | %             |
|---|-------------------|---------------|-------------------|---------------|
| <b>REVENUES</b>                         |                   |               |                   |               |
| Donations                               | \$ 1,017,333      | 97.19         | \$ 1,018,099      | 98.14         |
| Investment income                       | 29,402            | 2.81          | 19,268            | 1.86          |
|   | <b>1,046,735</b>  | <b>100.00</b> | <b>1,037,367</b>  | <b>100.00</b> |
| <b>EXPENSES (Note 5)</b>                |                   |               |                   |               |
| Sponsorships and donations (Note 6)     | 371,970           | 35.54         | 314,062           | 30.27         |
| Education, promotion and events         | 152,383           | 14.56         | 188,787           | 18.20         |
| Salaries and wages                      | 82,667            | 7.90          | 273,671           | 26.38         |
| Office                                  | 39,826            | 3.80          | 5,991             | 0.58          |
| Meetings and conventions                | 5,250             | 0.50          | 13,556            | 1.31          |
| Interest and bank charges               | -                 | -             | 1,640             | 0.16          |
| Travel                                  | -                 | -             | 199               | 0.02          |
|   | <b>652,096</b>    | <b>62.30</b>  | <b>797,906</b>    | <b>76.92</b>  |
| <b>EXCESS OF REVENUES OVER EXPENSES</b> | <b>\$ 394,639</b> | <b>37.70</b>  | <b>\$ 239,461</b> | <b>23.08</b>  |

**GOODLIFE KIDS FOUNDATION****Statement of Cash Flows****Year Ended December 31, 2019**

|  | <b>2019</b>       | <b>2018</b> |
|--|-------------------|-------------|
| <b>OPERATING ACTIVITIES</b>              |                   |             |
| Excess of revenues over expenses         | <b>\$ 394,639</b> | \$ 239,461  |
| Changes in non-cash working capital:     |                   |             |
| Accounts receivable                      | <b>44,686</b>     | (27,943)    |
| Interest receivable                      | <b>406</b>        | (2,967)     |
| Harmonized sales tax payable             | <b>(3,170)</b>    | (22,205)    |
| Prepaid expenses                         | <b>(4,048)</b>    | 4,996       |
| Accounts payable and accrued liabilities | <b>(2,187)</b>    | 21,110      |
| Deferred contributions                   | <b>-</b>          | (32,503)    |
|  | <b>35,687</b>     | (59,512)    |
| Cash flow from operating activities      | <b>430,326</b>    | 179,949     |
| <b>INVESTING ACTIVITY</b>                |                   |             |
| Increase in marketable securities        | <b>(403,966)</b>  | (125,882)   |
| <b>INCREASE IN CASH FLOW</b>             | <b>26,360</b>     | 54,067      |
| Cash - beginning of year                 | <b>211,610</b>    | 157,543     |
| <b>CASH - END OF YEAR</b>                | <b>\$ 237,970</b> | \$ 211,610  |



# GOODLIFE KIDS FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2019

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### 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.

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### 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.

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### 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.

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**GOODLIFE KIDS FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2019**

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3. MARKETABLE SECURITIES

These investments are carried at their market value.

|                                    | <u>2019</u>         | <u>2018</u>         |
|------------------------------------|---------------------|---------------------|
| RBC Premium Investment Account     | \$ 1,246,285        | \$ 858,219          |
| Guaranteed Investment Certificates | 770,950             | 755,050             |
|                                    | <u>\$ 2,017,235</u> | <u>\$ 1,613,269</u> |

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4. 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.

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5. 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 \$216,241 (2018 - \$272,780) in expenses were recovered, which consisted of the following: Education, promotion and events (\$46,550), insurance (\$1,980), professional fees (\$10,420), office (\$8,919) and salaries, wages and benefits (\$148,372). As at December 31, 2019 the Foundation is still owed \$73,996 (2018 - \$118,682) relating to these expense recoveries which is included in accounts receivable.

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**GOODLIFE KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2019****6. SPONSORSHIPS AND DONATIONS**

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| SkateABLE  | \$ 10,000   | \$ 30,000   |
| Family Respite Services Windsor Essex                                | 10,000      | 20,000      |
| Special Olympics Ontario   | 10,000      | 20,000      |
| Boys and Girls Club of Durham  | 10,000      | 15,000      |
| Ausome Ottawa  | 10,000      | 9,188       |
| Belleville General Hospital Foundation                               | 10,000      | 7,500       |
| Autism Services Incorporated of Windsor and Essex County             | 10,000      | -           |
| Autism Services of Saskatoon   | 10,000      | -           |
| Autism Society of Newfoundland Labrador                              | 10,000      | -           |
| Children's Health Foundation/Thames Valley Children's Centre         | 10,000      | -           |
| Down Syndrome Association of Toronto                                 | 10,000      | -           |
| Easter Seals Nova Scotia   | 10,000      | -           |
| Hare Bay Recreation Committee  | 10,000      | -           |
| Hutton House Association for Adults with Disabilities                | 10,000      | -           |
| KidsAbility Foundation   | 10,000      | -           |
| Main Street Community Services                                       | 10,000      | -           |
| Manitoba SwimAbility   | 10,000      | -           |
| Playing and Learning Together  | 10,000      | -           |
| Rainbow District School Board  | 10,000      | -           |
| South Asian Autism Awareness Centre                                  | 10,000      | -           |
| University Hospitals Kingston Foundation                             | 10,000      | -           |
| The Club Inclusion   | 9,937       | -           |
| Town of Channel-Port aux Basques                                     | 9,786       | -           |
| Janus Academy Society  | 9,150       | 6,440       |
| Easter Seals Newfoundland and Labrador                               | 9,000       | -           |
| Newfoundland & Labrador English School District Education Foundation | 9,000       | -           |
| City of Vaughn   | 8,511       | -           |
| Paralympic Sports Association  | 7,500       | -           |
| Community Living - Grimsby, Lincoln & West Lincoln                   | 6,500       | -           |
| Children's Autism Services of Edmonton                               | 6,000       | -           |
| Autism Ontario   | 5,310       | -           |
| Between Friends  | 5,000       | 10,000      |
| Propeller Dance  | 5,000       | 9,950       |
| Niagara Children's Centre  | 5,000       | 9,500       |
| Autism Aspergers Friendship Society of Calgary                       | 5,000       | -           |
| Calgary Board of Education   | 5,000       | -           |
| Centennial Infant and Child Centre Foundation                        | 5,000       | -           |
| Children's Treatment Centre Foundation of Chatham-Kent               | 5,000       | -           |
| City of Barrie - Inclusion Services                                  | 5,000       | -           |
| Community Living London  | 5,000       | -           |
| Opal III - Fredericton Respite Services Inc.                         | 5,000       | -           |
| Winnipeg School Division   | 5,000       | -           |
| York Region District School Board                                    | 5,000       | -           |
| Autism Okanagan Association  | 4,500       | -           |

*(continues)*

**GOODLIFE KIDS FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2019**

6. SPONSORSHIPS AND DONATIONS *(continued)*

|   | 2019              | 2018              |
|---|-------------------|-------------------|
| Hamilton Challenger Baseball Association              | 4,500             | -                 |
| Oak Bridge Academy                                    | 3,320             | -                 |
| Aspire Special Needs Resource Centre                  | 2,500             | -                 |
| Niverville Recreation Department (Town of Niverville) | 2,200             | -                 |
| Special Olympics Alberta, Camrose Affiliate           | 2,000             | -                 |
| Louis Riel School Division                            | 1,256             | -                 |
| Operation Trackshoes Society                          | 1,000             | 1,000             |
| NEO Kids Foundation                                   | -                 | 13,628            |
| 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            |
| Corporation of the City of Woodstock                  | -                 | 10,000            |
| Lansdown Children's Centre                            | -                 | 10,000            |
| The City of St. John's                                | -                 | 10,000            |
| Children's Rehabilitation Foundation                  | -                 | 10,000            |
| Halton Down Syndrome Association                      | -                 | 10,000            |
| Child & Community Resources (CCR)                     | -                 | 8,000             |
| Woodstock and District Development Services           | -                 | 6,131             |
| Central Nova Women's Resource Centre                  | -                 | 6,000             |
| East Scarborough Boys & Girls Club                    | -                 | 5,100             |
| BC Wheelchair Basketball Society                      | -                 | 5,000             |
| PROSETAUTISM / AUTISME PROSET INC                     | -                 | 5,000             |
| Special Olympics British Columbia Society             | -                 | 5,000             |
| Richmond Centre for Disability                        | -                 | 5,000             |
| The Corporation of the City of Kitchener              | -                 | 5,000             |
| Precious Minds Support Services                       | -                 | 5,000             |
| The Safehaven Project for Community Living            | -                 | 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             |
|   | <b>\$ 371,970</b> | <b>\$ 314,062</b> |