

**GOODLIFE KIDS FOUNDATION**  
**Financial Statements**  
**Year Ended December 31, 2020**

**GOODLIFE KIDS FOUNDATION**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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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, 2020, 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, 2020, 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, 2020, current assets and net assets as at December 31, 2020. Our audit opinion on the financial statements for the year ended December 31, 2019 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  
May 26, 2021

*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)*

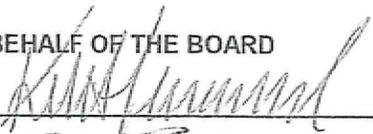
GOODLIFE KIDS FOUNDATION

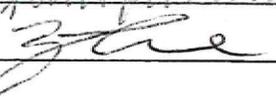
Statement of Financial Position

December 31, 2020

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 55,666	\$ 237,970
Marketable securities (Note 3)	1,914,158	2,017,235
Accounts receivable (Note 5)	61,493	73,996
Interest receivable	-	2,561
Harmonized sales tax recoverable	8,393	35,304
Prepaid expenses	6,310	10,280
	<u>\$ 2,046,020</u>	<u>\$ 2,377,346</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 17,925	\$ 47,550
NET ASSETS	<u>2,028,095</u>	<u>2,329,796</u>
LIABILITIES AND NET ASSETS	<u>\$ 2,046,020</u>	<u>\$ 2,377,346</u>

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**GOODLIFE KIDS FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 2,329,796</b>	\$ 1,935,157
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(301,701)</u>	<u>394,639</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 2,028,095</u></b>	<b><u>\$ 2,329,796</u></b>

**GOODLIFE KIDS FOUNDATION**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2020**

	2020	%	2019	%
<b>REVENUES</b>				
Canada Emergency Wage Subsidy	\$ 130,879	57.16	\$ -	-
Donations	78,217	34.16	1,017,333	97.19
Investment income	19,888	8.69	29,402	2.81
	<b>228,984</b>	<b>100.01</b>	<b>1,046,735</b>	<b>100.00</b>
<b>EXPENSES (Note 5)</b>				
Sponsorships and donations (Note 7)	251,959	110.03	371,970	35.54
Salaries and wages	225,583	98.51	82,667	7.90
Office	24,286	10.61	39,826	3.80
Education, promotion and events	14,547	6.35	152,383	14.56
Meetings and conventions	6,076	2.65	5,250	0.50
Professional fees	5,508	2.41	-	-
Insurance	1,650	0.72	-	-
Travel	1,076	0.47	-	-
	<b>530,685</b>	<b>231.75</b>	<b>652,096</b>	<b>62.30</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (301,701)</b>	<b>(131.74)</b>	<b>\$ 394,639</b>	<b>37.70</b>

**GOODLIFE KIDS FOUNDATION****Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	<b>\$ (301,701)</b>	\$ 394,639
Changes in non-cash working capital:		
Accounts receivable	<b>12,503</b>	44,686
Interest receivable	<b>2,561</b>	406
Harmonized sales tax payable	<b>26,911</b>	(3,170)
Prepaid expenses	<b>3,970</b>	(4,048)
Accounts payable and accrued liabilities	<b>(29,625)</b>	(2,187)
	<b>16,320</b>	35,687
Cash flow from (used by) operating activities	<b>(285,381)</b>	430,326
<b>INVESTING ACTIVITY</b>		
Decrease (Increase) in marketable securities	<b>103,077</b>	(403,966)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(182,304)</b>	26,360
Cash - beginning of year	<b>237,970</b>	211,610
<b>CASH - END OF YEAR</b>	<b>\$ 55,666</b>	\$ 237,970

# GOODLIFE KIDS FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2020

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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, 2020**

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3. MARKETABLE SECURITIES

These investments are carried at their market value.

	<u>2020</u>	<u>2019</u>
RBC Premium Investment Account	\$ 1,909,108	\$ 1,246,285
Guaranteed Investment Certificates	5,050	770,950
	<u>\$ 1,914,158</u>	<u>\$ 2,017,235</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 \$34,180 (2019 - \$216,241) in expenses were recovered, which consisted of the following: Education, promotion and events (\$5,193), insurance (\$330), office (\$6,473) and salaries, wages and benefits (\$22,184). As at December 31, 2020 the Foundation is still owed \$nil (2019 - \$73,996) relating to these expense recoveries which is included in accounts receivable.

As of March 2020, GoodLife Fitness Club reimbursements were put on hold due to COVID-19. The reimbursements recorded relate to January and February 2020.

The accounts receivable at December 31, 2020 relates to the Canada Emergency wage Subsidy.

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**GOODLIFE KIDS FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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6. COVID-19

The outbreak of Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Foundation or its employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Foundation's activities, the continued spread of COVID-19 and the measures taken by the federal, provincial, and municipal governments to contain its impact could adversely impact the organization's activities, financial condition or results of operations.

Specifically, the Foundation has so far experienced a decrease in donations from not being able to organize the Spin4Kids event. Also, the Foundation stopped receiving reimbursements of expenses from GoodLife Fitness Club. To offset these revenue decreases, the Foundation has reviewed its expenses, and deferred or reduced those expenses where possible, including a reduction in human resource costs. The foundation also applied for the government programs and subsidies for which it qualified.

The extent to which the COVID-19 outbreak impacts the foundation's future financial results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

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**GOODLIFE KIDS FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

7. SPONSORSHIPS AND DONATIONS

	2020	2019
Autism Services Incorporated of Windsor and Essex County	\$ 10,000	\$ 10,000
Family Respite Services Windsor Essex	10,000	10,000
Child Development Centre of Prince George and District Association	10,000	-
Halton Down Syndrome Association	10,000	-
Hamilton Health Sciences Corporation	10,000	-
Lansdown Children's Centre Foundation	10,000	-
Ontario Cerebral Palsy Sports Association	10,000	-
Pathways Health Centre for Children	10,000	-
Power To Be Adventure Therapy Society	10,000	-
Precious Minds Support Services	10,000	-
Special Olympics Newfoundland & Labrador	10,000	-
Thames Valley Children's Centre	10,000	-
Cerebral Palsy Association in Alberta	9,970	-
The Club Inclusion	9,930	9,937
Integrated Services for Autism and Neurodevelopmental Disorders	9,900	-
Peel District School Board	9,100	-
Auqafit for All Association	9,000	-
Boys and Girls Club of Summerside Inc.	8,823	-
Ausome Canada	8,303	-
Paralympic Sports Association	7,500	7,500
The Shining Through Centre for Children with Autism	7,500	-
Autism Society Ontario	6,978	-
Ottawa-Carleton District School Board	6,400	-
Vancouver Adaptive Snow Sports	5,875	-
Community Living - North Halton	5,145	-
Oak Bridge Academy	5,000	3,320
Goodwill Industries of Alberta	5,000	-
Alberta Adaptabilities Association	5,000	-
Vibe Arts	5,000	-
Opal III - Fredericton Respite Services Inc.	4,500	5,000
Toronto District School Board	4,000	-
Simcoe County District School Board	3,072	-
Aspire Special Needs Resource Centre	2,500	-
Sunrise School Division	1,763	-
St. Albert Public Schools	1,700	-
Hutton House Association for Adults with Disabilities	(10,000)	10,000
Down Syndrome Association of Toronto	-	10,000
Easter Seals Nova Scotia	-	10,000
Autism Services of Saskatoon	-	10,000
Hare Bay Recreation Committee	-	10,000
KidsAbility Foundation	-	10,000
Main Street Community Services	-	10,000
Manitoba SwimAbility	-	10,000

*(continues)*

**GOODLIFE KIDS FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

7. SPONSORSHIPS AND DONATIONS *(continued)*

	2020	2019
Children's Health Foundation/Thames Valley Children's Centre	-	10,000
Boys and Girls Club of Durham	-	10,000
Playing and Learning Together	-	10,000
Belleville General Hospital Foundation	-	10,000
Ausome Ottawa	-	10,000
Rainbow District School Board	-	10,000
SkateABLE	-	10,000
South Asian Autism Awareness Centre	-	10,000
Special Olympics Ontario	-	10,000
Autism Society of Newfoundland Labrador	-	10,000
University Hospitals Kingston Foundation	-	10,000
Town of Channel-Port aux Basques	-	9,786
Janus Academy Society	-	9,150
Easter Seals Newfoundland and Labrador	-	9,000
Newfoundland & Labrador English School District Education Foundation	-	9,000
City of Vaughn	-	8,511
Community Living - Grimsby, Lincoln & West Lincoln	-	6,500
Children's Autism Services of Edmonton	-	6,000
Autism Ontario	-	5,310
Niagara Children's Centre	-	5,000
Community Living - London	-	5,000
Between Friends	-	5,000
Autism Aspergers Friendship Society of Calgary	-	5,000
Propeller Dance	-	5,000
Children's Treatment Centre Foundation of Chatham-Kent	-	5,000
City of Barrie - Inclusion Services	-	5,000
Calgary Board of Education	-	5,000
Centennial Infant and Child Centre Foundation	-	5,000
Winnipeg School Division	-	5,000
York Region District School Board	-	5,000
Autism Okanagan Association	-	4,500
Hamilton Challenger Baseball Association	-	4,500
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
	<b>\$ 251,959</b>	<b>\$ 371,970</b>