

GOODLIFE KIDS FOUNDATION
Financial Statements
Year Ended December 31, 2022

GOODLIFE KIDS FOUNDATION
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Year Ended December 31, 2022

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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, 2022, 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, 2022, 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, 2022, current assets and net assets as at December 31, 2022. Our audit opinion on the financial statements for the year ended December 31, 2021 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)

Jeremy A. Giles CPA, CA Lissa Savage CPA, CA, CPA (Illinois)

Mark Snyders CPA, CA Dillon O'Henly CPA, CA

James B. MacNeill FCPA, FCA, CFP (Counsel) Robert F. Edmundson CPA, CA (Retired)

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 24, 2023

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

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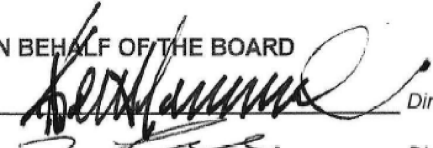
GOODLIFE KIDS FOUNDATION

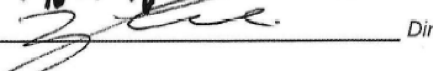
Statement of Financial Position

December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 275,017	\$ 29,889
Marketable securities <i>(Note 3)</i>	1,519,750	1,738,296
Accounts receivable <i>(Note 5)</i>	112,752	68,620
Interest receivable	8	1,463
Harmonized sales tax recoverable	8,567	6,422
Prepaid expenses	9,622	11,943
	\$ 1,925,716	\$ 1,856,633
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 56,318	\$ 31,243
Deferred contributions <i>(Note 4)</i>	55,628	-
	111,946	31,243
NET ASSETS	1,813,770	1,825,390
	\$ 1,925,716	\$ 1,856,633

ON BEHALF OF THE BOARD

 Director

 Director

GOODLIFE KIDS FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 1,825,390	\$ 2,028,095
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(11,620)</u>	<u>(202,705)</u>
NET ASSETS - END OF YEAR	<u>\$ 1,813,770</u>	<u>\$ 1,825,390</u>

GOODLIFE KIDS FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	%	2021	%
REVENUES				
Donations (<i>Notes 4, 5</i>)	\$ 635,094	91.86	\$ 76,740	29.81
Canada Emergency Wage Subsidy	25,902	3.75	175,121	68.02
Grants (<i>Note 4</i>)	18,387	2.66	-	-
Investment income	12,019	1.74	5,601	2.18
	691,402	100.01	257,462	100.01
EXPENSES				
Salaries and wages	558,230	80.74	376,690	146.31
Education, promotion and events	77,609	11.22	62,493	24.27
Office	38,454	5.56	18,039	7.01
Meetings and conventions	16,052	2.32	12	-
Professional fees	10,712	1.55	1,118	0.43
Insurance	1,965	0.28	1,815	0.70
	703,022	101.67	460,167	178.72
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (11,620)	(1.66)	\$ (202,705)	(78.71)

GOODLIFE KIDS FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	<u>\$ (11,620)</u>	<u>\$ (202,705)</u>
Changes in non-cash working capital:		
Accounts receivable	(44,132)	(7,127)
Interest receivable	1,455	(1,463)
Harmonized sales tax payable	(2,145)	1,971
Prepaid expenses	2,321	(5,633)
Accounts payable and accrued liabilities	25,075	13,318
Deferred contributions	<u>55,628</u>	<u>-</u>
	<u>38,202</u>	1,066
Cash flow from (used by) operating activities	<u>26,582</u>	<u>(201,639)</u>
INVESTING ACTIVITY		
Decrease (Increase) in marketable securities	<u>218,546</u>	175,862
INCREASE (DECREASE) IN CASH FLOW	245,128	(25,777)
Cash - beginning of year	<u>29,889</u>	55,666
CASH - END OF YEAR	<u>\$ 275,017</u>	<u>\$ 29,889</u>

GOODLIFE KIDS FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2022

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, 2022

3. MARKETABLE SECURITIES

These investments are carried at their market value.

	2022	2021
Cash and cash equivalents	\$ 980,074	\$ 433,246
Fixed income	256,560	1,305,050
Equity	183,536	-
Foreign equities	99,580	-
	\$ 1,519,750	\$ 1,738,296

4. DEFERRED CONTRIBUTIONS

The Foundation received a \$25,000 grant from Autism Speaks to be spent on MOVE programs. To date, revenue totalling \$11,991 has been recognized and is included in the grant revenue. The remaining funds of \$13,009 will be spent and recognized as revenue in the subsequent year.

The Foundation received two grants from Jumpstart Community Development Grant totalling \$11,515, to be spent on MOVE programs. To date, revenue totalling \$6,396 has been recognized and is included in the grant revenue. The remaining funds of \$5,119 will be spent and recognized as revenue in the subsequent year.

The Foundation received a \$50,000 donation from Coca-Cola for October 2022 to September 2023, as well as a \$50,000 donation for October 2021 to September 2022. \$12,500 of the 2021-2022 donation was set up as accounts receivable and recognized as donation revenue in the previous year. In the current year, revenue totaling \$50,000 (\$37,500 for 2021-2022, \$12,500 for 2022-2023) has been recognized and is included in the donations revenue. The remaining portion of the 2022-2023 donation of \$37,500 will be recognized as revenue in the subsequent year.

5. RELATED PARTY TRANSACTIONS

During the current year, the Foundation received donations totaling \$221,485 from #1 Nautilus. As at December 31, 2022 the Foundation is still owed \$95,808 relating to these donations which is included in accounts receivable. In addition, expense reimbursements totaling \$25,999 were received from GoodLife Fitness Club.

In the previous year, the Foundation received expense reimbursements totalling \$17,732 from GoodLife Fitness Club. As at December 31, 2021 the Foundation was still owed \$20,037 relating to these expense reimbursements which was included in accounts receivable.