

Jack.org

Financial Statements
June 30, 2019



Independent auditor's report

To the Directors of Jack.org

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jack.org (the Organization) as at June 30, 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.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at June 30, 2019;
- the statement of changes in net assets for the year then ended;
- the statement of operations for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710, Ottawa, Ontario, Canada K1P 1E4
T: +1 613 237 3702, F: +1 613 237 3963

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 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 Organization'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 Organization'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 Organization 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 16, 2019

Jack.org

Statement of Financial Position

As at June 30, 2019

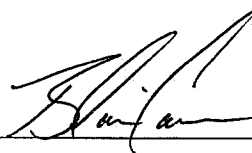
	2019 \$	2018 \$
Assets		
Current assets		
Cash	908,784	277,129
Guaranteed investment certificates (note 3)	1,721,534	2,334,741
Accounts and other receivables	25,437	82,949
Sponsorship receivable	72,072	82,424
HST receivable	132,993	90,148
Prepaid expenses	56,984	32,268
	<u>2,917,804</u>	<u>2,899,659</u>
Investments (note 4)	1,044,364	-
Tangible capital assets (note 5)	40,176	26,525
Intangible assets (note 5)	157,703	73,699
	<u>4,160,047</u>	<u>2,999,883</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	126,883	51,510
Deferred contributions (note 6)	787,416	450,169
	<u>914,299</u>	<u>501,679</u>
Net assets		
Unrestricted	2,201,384	1,880,782
Internally restricted – legacy (note 11)	1,044,364	617,422
	<u>3,245,748</u>	<u>2,498,204</u>
	<u>4,160,047</u>	<u>2,999,883</u>

Commitments (note 7)

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Jack.org

Statement of Changes in Net Assets

For the year ended June 30, 2019

	Balance – Beginning of year \$	Net revenue for the year \$	Transfers \$	Balance – End of year \$
Unrestricted	1,880,782	747,544	(426,942)	2,201,384
Internally restricted – legacy (note 11)	617,422	-	426,942	1,044,364
	<u>2,498,204</u>	<u>747,544</u>	<u>-</u>	<u>3,245,748</u>

The accompanying notes are an integral part of these financial statements.

Jack.org

Statement of Operations

For the year ended June 30, 2019

	2019 \$	2018 \$
Revenue		
Foundations	1,429,452	597,917
Donations	2,104,187	1,605,784
Corporate sponsorship	542,150	351,263
In-kind revenue	67,651	42,738
Event registration	180,657	84,475
Speaker fees	49,031	50,922
Interest	26,782	10,583
Government funding	244,478	18,798
Investment income	44,364	1,259
	<hr/> 4,688,752	<hr/> 2,763,739
Expense (note 9)		
National student summit (Jack Summit)	858,840	523,387
School and community outreach (Jack Talks)	516,388	328,524
Campus-based activities (Jack Chapters)	617,507	424,327
Mental health collaboration activities	405,856	255,391
Be There	148,442	-
Marketing	190,726	216,148
Finance and administration	290,737	287,107
Fundraising	912,712	485,880
	<hr/> 3,941,208	<hr/> 2,520,764
Net revenue for the year	<hr/> 747,544	<hr/> 242,975

The accompanying notes are an integral part of these financial statements.

Jack.org

Statement of Cash Flows

For the year ended June 30, 2019

	2019 \$	2018 \$
Cash provided by (used in)		
Operating activities		
Net revenue for the year	747,544	242,975
Items not affecting cash		
Receivable from gift agreement (note 10)	-	62,042
Changes in fair value of investments	(23,877)	-
Amortization of tangible capital assets	12,501	13,344
Amortization of intangible assets	39,771	-
Loss on disposal of tangible capital assets	-	135
Changes in non-cash working capital items		
Accounts and other receivables	57,512	(65,248)
Sponsorship receivable	10,352	(30,516)
HST receivable	(42,845)	(31,573)
Prepaid expenses	(24,716)	(20,871)
Accounts payable and accrued liabilities	75,373	28,283
Deferred contributions	337,247	387,959
	<hr/> 1,188,862	<hr/> 586,530
Investing activities		
Acquisition of tangible capital assets	(26,152)	(14,156)
Acquisition of intangible assets	(123,775)	(57,427)
Purchase of guaranteed investment certificates	(2,932,272)	(2,420,848)
Proceeds from sale of guaranteed investment certificates	3,545,479	1,330,000
Purchase of investments	(1,020,487)	-
	<hr/> (557,207)	<hr/> (1,162,431)
Cash transferred from gift agreements (note 10)	<hr/> -	<hr/> 554,121
Net change in cash for the year	631,655	(21,780)
Cash – Beginning of year	<hr/> 277,129	<hr/> 298,909
Cash – End of year	<hr/> <hr/> 908,784	<hr/> <hr/> 277,129

The accompanying notes are an integral part of these financial statements.

1 Description of organization

Jack.org (the Organization) was created in memory of Jack Windeler, a student at Queen's University (Queen's) who tragically and unexpectedly died by suicide. Co-founded by Jack's parents, Eric Windeler and Sandra Hanington, the Organization trains and empowers young leaders who are working to revolutionize mental health for their generation and beyond. To Jack.org, revolution means a Canada where every young person is comfortable talking about their mental health, and those that need it get the help they deserve. The Organization puts youth at the centre of all its programs, which include, but are not limited to:

- Jack Talks – Informed by youth and delivered by professionally trained young speakers, Jack Talks initiate conversations on mental health in schools and communities across Canada;
- Jack Summit and Regional Summits – Youth led summits inspiring change and action at national and local levels; and
- Jack Chapters – Trained youth-led groups working year-round to identify and break down barriers to positive mental health in their communities.
- Be There – An educational resource launched during the fiscal year to help youth, and those who support them, learn how to support someone who may be struggling.

Through these programs, Jack.org is working towards a Canada where all young people:

- are comfortable talking about mental health;
- prioritize their own mental health;
- are informed and equipped to take care of themselves and look out for their peers; and
- receive the community support or professional help they deserve.

The Organization is a charitable organization registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

2 Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant accounting policies are as follows.

Guaranteed investment certificates

Guaranteed investment certificates are recorded at cost plus accrued interest.

Investments

Investments are recorded at fair value. Changes in fair value are included in net revenue for the year.

Tangible capital and intangible assets

Capital and intangible assets are initially recorded at cost. Amortization of tangible capital assets and certain intangible assets is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer		3 years
Furniture		5 to 7 years
Leasehold improvements	shorter of expected useful life or the term of lease	
Website		3 years

The Organization's domain name is not amortized until its life is determined to be no longer indefinite.

Revenue recognition

The Organization uses the deferral method of accounting for contributions. Unrestricted contributions and pledges are recognized as revenue when received. Unrestricted corporate sponsorships are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions, arising primarily from grants, are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

Contributed materials and services

The Organization recognizes contributed materials and services greater than \$5,000 to the extent that fair value can be reasonably estimated and the materials and services are used in the normal course of the Organization's operations and would have otherwise been purchased. Contributed materials and services of \$67,651 (2018 – \$42,738) are recognized as in-kind revenue and expenses in the statement of operations.

Volunteers make a substantial contribution of time each year to assist the Organization in carrying out its activities. Due to the difficulty in determining the fair value of such services, they are not recognized in these financial statements.

Allocated expenses

Personnel and rent are allocated to programs and support categories based on management's best estimate of time spent on each program or support category.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

3 Guaranteed investment certificates

Guaranteed investment certificates held with Bank of Montreal mature between 2019 and 2020.

	2019	2018
	\$	\$
Variable at prime less 2.6% (2018 – prime less 2.6% to 2.1%)	10,000	360,656
Fixed at 1.95% (2018 – 0.65% to 1.70%)	1,701,632	1,962,310
Accrued interest	9,902	11,775
	<u>1,721,534</u>	<u>2,334,741</u>

4 Investments

The Organization's investments consist of units of a Diversified Pooled Fund held with a professional investment manager, targeted at 60% equity holdings and 40% fixed income holdings.

5 Tangible capital and intangible assets

	<u>2019</u>		<u>2018</u>	
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Tangible capital assets				
Computers	59,595	27,612	31,983	15,284
Furniture	12,769	4,576	8,193	10,241
Leasehold improvements	5,000	5,000	-	1,000
	<u>77,364</u>	<u>37,188</u>	<u>40,176</u>	<u>26,525</u>
Intangible assets				
Domain	16,272	-	16,272	16,272
Website	181,203	39,772	141,431	57,427
	<u>197,475</u>	<u>39,772</u>	<u>157,703</u>	<u>73,699</u>
	<u>274,839</u>	<u>76,960</u>	<u>197,879</u>	<u>100,224</u>

Jack.org

Notes to Financial Statements

June 30, 2019

6 Deferred contributions

	Balance – Beginning of year \$	Funds received \$	Amounts recognized as revenue \$	Balance – End of year \$
Private				
Donations	329,700	535,025	(329,700)	535,025
Donations of capital assets	6,267	-	(1,600)	4,667
Government funding	114,202	247,724	(114,202)	247,724
	<u>450,169</u>	<u>782,749</u>	<u>(445,502)</u>	<u>787,416</u>

7 Commitments

The Organization is committed to the following future annual payments under existing and pending operating leases for business premises and other operating activities as at June 30, 2019:

	\$
Year ending June 30, 2021	113,918
2021	40,117
2022	<u>900</u>
	<u>154,935</u>

8 Related party balances and transactions

Donations revenue includes \$120,841 (2018 – \$34,746) from management and board members.

Jack.org

Notes to Financial Statements

June 30, 2019

9 Allocation of expenses

Personnel and rent expenses were allocated by the Organization as follows:

	2019		
	Personnel	Rent	Total
	\$	\$	\$
Jack Summit (national student summit)	225,132	15,597	240,729
Jack Talks (school and community outreach)	350,105	23,395	373,500
Jack Chapters (campus-based activities)	338,549	18,939	357,488
Mental health collaboration activities	299,481	16,711	316,192
Marketing	127,445	6,684	134,129
Finance and administration	138,827	6,684	145,511
Fundraising	414,932	23,395	438,327
	<u>1,894,471</u>	<u>111,405</u>	<u>2,005,876</u>

	2018		
	Personnel	Rent	Total
	\$	\$	\$
Jack Summit (national student summit)	191,205	18,067	209,272
Jack Talks (school and community outreach)	251,939	19,018	270,957
Jack Chapters (campus-based activities)	267,236	22,792	290,028
Mental health collaboration activities	187,610	9,538	197,148
Marketing	84,527	5,705	90,232
Finance and administration	70,975	2,853	73,828
Fundraising	208,712	17,116	225,828
	<u>1,262,204</u>	<u>95,089</u>	<u>1,357,293</u>

10 Transfers of net assets through gift agreements

During 2018, the Organization entered into gift agreements with Healthy Minds Canada - Bonne Santé Mentale Au Canada (HMC) and Partners in Mental Health Inc. (PMH), whereby net assets of \$616,163 were transferred to the Organization as follows:

	HMC	PFMH	Total
	\$	\$	\$
Cash	380,000	174,121	554,121
Accounts receivable	62,042	-	62,042
	<u>442,042</u>	<u>174,121</u>	<u>616,163</u>

11 Internally restricted net assets – legacy

The Organization internally restricts net assets to support the expansion of the Organization's work in the area of community, parent and caregiver engagement in youth mental health.