

# **Jack.org**

Financial Statements  
**June 30, 2021**



## Independent auditor's report

To the Directors of Jack.org

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### 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, 2021 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, 2021;
- 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 significant accounting policies and other explanatory information.

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### 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.

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



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## **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 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.

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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 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 24, 2021

# Jack.org

## Statement of Financial Position

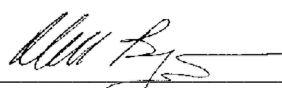
As at June 30, 2021

	2021 \$	2020 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	1,064,969	494,273
Guaranteed investment certificates (note 3)	5,856,225	3,653,276
Accounts and other receivables	151,336	121,718
Sponsorship receivable	223,349	243,356
HST receivable	155,902	138,678
Prepaid expenses	174,334	194,666
	<u>7,626,115</u>	<u>4,845,967</u>
<b>Investments</b> (note 4)	1,323,458	1,017,645
<b>Tangible capital assets</b> (note 5)	11,511	17,756
<b>Intangible assets</b> (note 5)	36,902	97,303
	<u>8,997,986</u>	<u>5,978,671</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	102,365	147,232
Deferred contributions (note 6)	1,604,832	1,105,942
	<u>1,707,197</u>	<u>1,253,174</u>
<b>Net Assets</b>		
Unrestricted	4,727,349	2,316,074
Internally restricted – Capital assets	48,413	115,059
Internally restricted – Legacy fund (note 7)	1,265,027	1,044,364
Internally restricted – COVID-19 contingency fund (note 12)	1,250,000	1,250,000
	<u>7,290,789</u>	<u>4,725,497</u>
	<u>8,997,986</u>	<u>5,978,671</u>
<b>Commitments</b> (note 8)		

### Approved by the Board of Directors



Director



Director

Blair Cowan

Michel Bergeron

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, 2021

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	Balance – Beginning of year \$	Net revenue for the year \$	Transfers \$	Balance – End of year \$
Unrestricted	2,316,074	2,565,292	(154,017)	4,727,349
Internally restricted – Capital assets	115,059	-	(66,646)	48,413
Internally restricted – Legacy fund (note 7)	1,044,364	-	220,663	1,265,027
Internally restricted – COVID-19 contingency fund (note 12)	1,250,000	-	-	1,250,000
	<hr/>			
	4,725,497	2,565,292	-	7,290,789
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The accompanying notes are an integral part of these financial statements.

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## Statement of Operations

For the year ended June 30, 2021

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	2021 \$	2020 \$
<b>Revenue</b>		
Foundations	2,239,216	2,204,778
Donations	4,052,167	2,624,346
Corporate sponsorship	526,212	482,457
In-kind revenue	119,861	51,697
Event registration	94,308	147,486
Speaker fees	16,300	86,546
Interest	32,374	64,092
Government funding (note 12)	898,795	871,481
Investment income (loss)	247,382	(26,719)
	<hr/> 8,226,615	<hr/> 6,506,164
<b>Expense</b> (note 10)		
National student summit (Jack Summit)	757,396	1,006,338
School and community outreach (Jack Talks)	682,969	574,347
Campus-based activities (Jack Chapters)	706,919	717,201
Mental health collaboration activities	581,623	671,211
Be There	855,320	242,363
Marketing	236,817	222,849
Finance and administration	454,655	350,589
Fundraising	1,385,624	1,241,517
	<hr/> 5,661,323	<hr/> 5,026,415
<b>Net revenue for the year</b>	<hr/> 2,565,292	<hr/> 1,479,749

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

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## Statement of Cash Flows

For the year ended June 30, 2021

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	2021 \$	2020 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net revenue for the year	2,565,292	1,479,749
Items not affecting cash		
Change in fair value of investments	(247,382)	26,719
Amortization of tangible capital assets	25,653	22,420
Amortization of intangible assets	60,401	60,400
In-kind revenue	(119,861)	-
Changes in non-cash working capital items		
Accounts and other receivables	(29,618)	(96,281)
Sponsorship receivable	20,007	(171,284)
HST receivable	(17,224)	(5,685)
Prepaid expenses	20,332	(137,682)
Accounts payable and accrued liabilities	(44,867)	20,349
Deferred contributions	498,890	318,526
Accrued interest on guaranteed investment certificates	39,368	(35,896)
	<hr/> 2,770,991	<hr/> 1,481,335
<b>Investing activities</b>		
Acquisition of tangible capital assets	(19,408)	-
Purchase of guaranteed investment certificates	(5,850,000)	(3,697,478)
Proceeds from sale of guaranteed investment certificates	3,607,683	1,801,632
Proceeds from sale of listed securities	61,430	-
	<hr/> (2,200,295)	<hr/> (1,895,846)
<b>Change in cash during the year</b>	570,696	(414,511)
<b>Cash – Beginning of year</b>	<hr/> 494,273	<hr/> 908,784
<b>Cash – End of year</b>	<hr/> <hr/> 1,064,969	<hr/> <hr/> 494,273

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;
- National Jack Summit and Regional and Local Jack Summits – Youth-led summits inspiring change and action at national and local levels;
- Jack Chapters – Trained youth-led groups in every province and territory, working year-round to identify and break down barriers to positive mental health in their communities; and
- Be There – An educational resource to help youth, and those who support them, learn how to support someone who may be struggling ([www.BeThere.org](http://www.BeThere.org)).

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 without shares under the Canada Not-for-profit Corporations Act 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.

**Use of estimates**

The preparation of financial statements in conformity 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.

**Financial instruments**

- Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain instruments originated or acquired in related party transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investment in pooled funds, which is designated at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, guaranteed investment certificates, accounts and other receivables, sponsorship receivable, HST receivable and investment in a private corporation. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

- Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the Organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset at the statement of financial position date.

**Tangible capital and intangible assets**

Tangible capital and intangible assets are initially recorded at cost. Amortization of tangible capital assets and intangible assets with finite useful lives are 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.

**Impairment of long-lived assets**

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposal. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Impairments of long-lived assets are not reversed.

**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, shares 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 nil (2020 – \$51,697) are recognized as in-kind revenue and expense in the statement of operations.

Contributed shares of certain listed companies amounting to \$61,430 (2019 – nil) are recorded as in-kind revenue. The Organization's policy is to dispose of such shares immediately and convert them into cash. Proceeds received from disposal are presented in the statement of cash flows.

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.

**Government assistance**

The Organization received government assistance under the Canada Emergency Wage Subsidy (CEWS). Assistance from the government is recognized where there is a reasonable assurance that such assistance will be received, and the Organization complies with applicable requirements including revenue drop during the defined COVID-19 pandemic claim periods as per the defined rules. The government assistance is recognized as Government funding in the statement of operations in the periods in which the Organization incurs the related employee costs.

**Allocated expenses**

Personnel, rent and other program expenses are allocated to programs and support categories based on management's best estimate of time spent on each program or support category. Other program expenses incorporate any other expenses, including general office, computer and software and consulting expenses, that are not otherwise attributed to a single program.

**3 Guaranteed investment certificates**

Guaranteed investment certificates held with Bank of Montreal mature between 2021 and 2022.

	<b>2021</b>	<b>2020</b>
	\$	\$
Variable at prime less 2.6% (2020 – prime less 2.6%)	10,000	10,000
Fixed at 0.15% to 2.5% (2020 – 0.7% to 2.5%)	5,839,976	3,597,478
Accrued interest	6,249	45,798
	<u>5,856,225</u>	<u>3,653,276</u>

**4 Investments**

	<b>2021</b>	<b>2020</b>
	\$	\$
Investment in pooled funds (i)	1,265,027	1,017,645
Investment in a private corporation (ii)	58,431	-
	<u>1,323,458</u>	<u>1,017,645</u>

# Jack.org

## Notes to Financial Statements

June 30, 2021

(i) Investment in pooled funds

	2021		2020	
	Fair value \$	Cost \$	Fair value \$	Cost \$
Pooled funds	1,265,027	1,137,000	1,017,645	1,084,815

The Organization's investment in pooled funds is as follows:

	2021 \$	2020 \$
Fixed income	445,215	357,023
Equities	782,563	635,159
Others	37,249	25,463
	<u>1,265,027</u>	<u>1,017,645</u>

(ii) Investment in a private corporation

During the year ended June 30, 2021, the Organization received 5,000 common shares of a private corporation as an unrestricted donation. The investment is initially recorded at subscription price of \$58,431 and subsequently measured at amortized cost.

## 5 Tangible capital and intangible assets

	2021		2020	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Tangible capital assets				
Computers	79,003	70,577	8,426	12,117
Furniture	12,769	9,684	3,085	5,639
Leasehold improvements	5,000	5,000	-	-
	<u>96,772</u>	<u>85,261</u>	<u>11,511</u>	<u>17,756</u>
Intangible assets				
Domain	16,272	-	16,272	16,272
Website	181,203	160,573	20,630	81,031
	<u>197,475</u>	<u>160,573</u>	<u>36,902</u>	<u>97,303</u>
	<u>294,247</u>	<u>245,834</u>	<u>48,413</u>	<u>115,059</u>

**6 Deferred contributions**

	Balance – Beginning of year \$	Funds received \$	Amounts recognized as revenue \$	Balance – End of year \$
Private				
Donations	933,377	1,601,765	(933,377)	1,601,765
Donations of capital assets	3,067	-	-	3,067
Government funding	169,498	-	(169,498)	-
	<u>1,105,942</u>	<u>1,601,765</u>	<u>(1,102,875)</u>	<u>1,604,832</u>

**7 Internally restricted net assets – Legacy fund**

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.

**8 Commitments**

The Organization has rental agreements for office premises. Future payments under the agreements for the next two years are as follows:

	\$
2022	150,858
2023	<u>36,137</u>
	<u>186,995</u>

The rental agreements expire in September 2022. Under the rental agreement, the Organization has an option to extend the lease for an additional three years exercisable through a written notice for each year to be extended.

**9 Related party balances and transactions**

Donation revenue includes \$49,706 (2020 – \$61,190) from management and board members.

**10 Allocation of expenses**

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

	<b>2021</b>			
	<b>Personnel</b>	<b>Rent</b>	<b>Other program expenses</b>	<b>Total</b>
	\$	\$	\$	\$
National student summit (Jack Summit)	541,438	18,655	121,890	681,983
School and community outreach (Jack Talks)	522,023	16,541	120,265	658,829
Campus-based activities (Jack Chapters)	464,710	18,406	108,076	591,192
Mental health collaboration activities	446,019	14,924	97,512	558,455
Be There	295,254	11,566	75,572	382,392
Marketing	184,637	9,203	47,131	240,971
Finance and administration	296,677	7,213	60,133	364,023
Fundraising	816,508	27,858	182,023	1,026,389
	<b>3,567,266</b>	<b>124,366</b>	<b>812,602</b>	<b>4,504,234</b>
	<b>2020</b>			
	<b>Personnel</b>	<b>Rent</b>	<b>Other program expenses</b>	<b>Total</b>
	\$	\$	\$	\$
National student summit (Jack Summit)	419,504	23,723	155,482	598,709
School and community outreach (Jack Talks)	404,285	22,645	153,409	580,339
Campus-based activities (Jack Chapters)	417,042	23,107	137,861	578,010
Mental health collaboration activities	444,251	26,650	220,785	691,686
Marketing	165,275	9,551	60,120	234,946
Finance and administration	206,028	11,708	76,704	294,440
Fundraising	672,599	36,664	232,186	941,449
	<b>2,728,984</b>	<b>154,048</b>	<b>1,036,547</b>	<b>3,919,579</b>

**11 Financial instruments and financial risk factors****Financial risk management**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations.

**Liquidity risk**

The Organization's objective is to have sufficient liquidity to meet its liabilities when they come due. The Organization manages liquidity risk by monitoring, on a regular basis, that sufficient funds are generated from donations and investments to meet the Organization's future commitments. The significant financial liabilities at year-end are accounts payable and accrued liabilities.

**Credit risk**

The Organization's credit risk arises on cash, guaranteed investment certificates, investments, accounts and other receivables, sponsorship receivable and HST receivable. The Organization does not have significant concentration risk. The Organization's cash and guaranteed investment certificates are maintained at major financial institutions; therefore, the Organization considers the risk of non-performance of these instruments to be remote. Accounts and other receivables and sponsorship receivable are closely monitored for recovery. Allowance for doubtful accounts is recognized for receivables that are not expected to be recovered. As at June 30, 2021, allowance for doubtful accounts amounted to \$34,000 (2020 – \$24,000).

**Market risk**

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The Organization is exposed to all three types of market risk.

- Interest rate risk

Interest rate risk is the risk arising from fluctuations in interest rates and their degree of volatility. The Organization's exposure to interest rate risk arises from cash and guaranteed investment certificates (note 3).

- Currency risk

Currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when financial assets or financial liabilities are denominated in a currency other than Canadian dollars. The Organization is primarily exposed to currency risk on equity investments held in US dollars.

As at June 30, 2021, 34% (2020 – 33%) of investments in equity holdings are denominated in US dollars.



- Other price risk

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization's exposure to this risk arises from its investment in pooled funds (note 4).

## **12 Implication of COVID-19 pandemic**

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic. Governments and local public health authorities have implemented shutdowns and emergency measures to combat the global pandemic.

The long-term impact of the outbreak on the Organization remains uncertain. Management is closely monitoring the economic situation and any potential impacts there may be on the Organization's operations. The ultimate duration and magnitude of COVID-19's impact on the Organization's operations and financial position are not known at this time. These impacts could include a decline in future cash flows, changes to the value of assets and liabilities and new borrowings to sustain the operations. However, management believes the impact of COVID-19 will be temporary, and therefore, while it could have a negative impact on the Organization during the pandemic, the long-term prospects for the Organization have not changed. The Organization has restricted net assets amounting to \$1.25 million for any potential impact there may be on operations, as a COVID-19 contingency fund.

### **Government assistance**

During the year ended June 30, 2021, the Organization qualified for assistance under CEWS set up by the government of Canada to assist local businesses during the COVID-19 pandemic. The Organization received \$303,837 (2020 – \$499,836) of CEWS assistance which are recognized as Government funding revenues in the statement of operations. CEWS outstanding at year-end amounts to \$136,160 (2020 – \$113,130).