

Jack.org

Financial Statements
June 30, 2023



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, 2023 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, 2023;
- 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.

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.



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.

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 27, 2023

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Statement of Financial Position

As at June 30, 2023

	2023 \$	2022 \$
Assets		
Current assets		
Cash	2,419,758	603,852
Guaranteed investment certificates (note 3)	2,439,450	5,381,872
Accounts and other receivables	114,688	20,591
Sponsorship receivable	-	50,000
HST receivable	127,328	149,193
Prepaid expenses	77,123	116,922
	<u>5,178,347</u>	<u>6,322,430</u>
Investments (note 4)	2,365,638	1,913,449
Tangible capital assets (note 5)	139,634	56,741
Intangible assets (note 5)	157,282	40,378
	<u>7,840,901</u>	<u>8,332,998</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	535,496	422,571
Deferred contributions (note 6)	2,145,947	596,681
	<u>2,681,443</u>	<u>1,019,252</u>
Net Assets		
Unrestricted	3,193,675	4,701,600
Internally restricted – Capital assets	97,119	97,119
Internally restricted – Legacy fund (note 7)	618,664	1,265,027
Internally restricted – COVID-19 contingency fund (note 12)	1,250,000	1,250,000
	<u>5,159,458</u>	<u>7,313,746</u>
	<u>7,840,901</u>	<u>8,332,998</u>
Commitments (note 8)		

Approved by the Board of Directors

DocuSigned by:

Blair Cowan

Blair Cowan

Director

DocuSigned by:

Michel Bergeron

Michel Bergeron

Director

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

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Statement of Changes in Net Assets

For the year ended June 30, 2023

				2023
	Balance – Beginning of year \$	Net expense for the year \$	Transfers \$	Balance – End of year \$
Unrestricted	4,701,600	(2,154,288)	646,363	3,193,675
Internally restricted – Capital assets	97,119	-	-	97,119
Internally restricted – Legacy fund (note 7)	1,265,027	-	(646,363)	618,664
Internally restricted – COVID-19 contingency fund (note 12)	1,250,000	-	-	1,250,000
	<u>7,313,746</u>	<u>(2,154,288)</u>	<u>-</u>	<u>5,159,458</u>

				2022
	Balance – Beginning of year \$	Net revenue for the year \$	Transfers \$	Balance – End of year \$
Unrestricted	4,727,349	22,957	(48,706)	4,701,600
Internally restricted – Capital assets	48,413	-	48,706	97,119
Internally restricted – Legacy fund (note 7)	1,265,027	-	-	1,265,027
Internally restricted – COVID-19 contingency fund (note 12)	1,250,000	-	-	1,250,000
	<u>7,290,789</u>	<u>22,957</u>	<u>-</u>	<u>7,313,746</u>

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

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Statement of Operations

For the year ended June 30, 2023

	2023	2022
	\$	\$
Revenue		
Foundations	3,077,330	3,749,956
Donations	3,326,104	3,924,426
Corporate sponsorship	539,287	635,377
In-kind revenue	26,912	93,256
Event registration	-	144,144
Speaker fees	-	24,000
Interest	162,029	34,809
Government funding (note 12)	1,457,552	395,436
Investment income (loss)	203,618	(158,423)
	<hr/> 8,792,832	<hr/> 8,842,981
Expense (note 10)		
National student summit (Jack Summit)	1,916,901	1,542,523
School and community outreach (Jack Talks)	1,638,795	1,144,743
Campus-based activities (Jack Chapters)	1,365,096	1,124,239
Mental health collaboration activities	1,228,069	864,789
Be There	1,366,208	1,198,474
Marketing	466,859	378,948
Finance and administration	811,088	478,156
Fundraising	2,154,104	2,088,152
	<hr/> 10,947,120	<hr/> 8,820,024
Net revenue (expense) for the year	<hr/> (2,154,288)	<hr/> 22,957

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, 2023

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Net revenue (expense) for the year	(2,154,288)	22,957
Items not affecting cash		
Change in fair value of investments	(202,189)	160,010
Amortization of tangible capital assets	43,841	19,939
Amortization of intangible assets	74,125	23,851
In-kind revenue (net)	-	(225,944)
Changes in non-cash working capital items		
Accounts and other receivables	(94,097)	130,745
Sponsorship receivable	50,000	173,349
HST receivable	21,865	6,709
Prepaid expenses	39,799	57,412
Accounts payable and accrued liabilities	112,925	320,206
Deferred contributions	1,549,266	(1,008,151)
Accrued interest on guaranteed investment certificates	9,991	(6,763)
	<hr/>	<hr/>
	(548,762)	(325,680)
Investing activities		
Acquisition of tangible capital assets and intangible assets	(317,762)	(92,496)
Purchase of guaranteed investment certificates	(3,081,755)	(5,368,885)
Proceeds from sale of guaranteed investment certificates	6,014,185	5,850,000
Purchase of investments	(250,000)	(750,000)
Proceeds from sale of investments	-	225,944
	<hr/>	<hr/>
	2,364,668	(135,437)
Change in cash during the year	1,815,906	(461,117)
Cash – Beginning of year	<hr/>	<hr/>
	603,852	1,064,969
Cash – End of year	<hr/>	<hr/>
	2,419,758	603,852

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 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).

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.

Cash

Cash includes cash on hand and deposits held at call with financial institutions.

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 assets and intangible assets

Tangible capital assets 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:

Computers	3 years
Furniture	5 to 7 years
Leasehold improvements	Shorter of expected useful life or the term of lease
Website	3 years
Systems	Shorter of expected useful life or 5 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 \$26,912 (2022 – \$93,256) are recognized as in-kind revenue and expense in the statement of operations.

Contributed shares of certain listed companies amounting to \$43,344 (2022 – \$225,944) are recorded as general donation 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) and Canada Recovery Hiring Program (CRHP). 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 Canadian Imperial Bank of Commerce (CIBC) mature between 2023 and 2024.

	2023	2022
	\$	\$
Variable at prime less 1.60% to 1.95% (2022 – prime less 1.75% to 1.90%)	2,436,249	5,218,680
Fixed at 1.60%	-	150,000
Accrued interest	3,201	13,192
	<u>2,439,450</u>	<u>5,381,872</u>

4 Investments

	2023	2022
	\$	\$
Investment in pooled funds (i)	2,307,206	1,855,017
Investment in a private corporation (ii)	58,432	58,432
	<u>2,365,638</u>	<u>1,913,449</u>

(i) Investment in pooled funds

	<u>2023</u>		<u>2022</u>	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Pooled funds	<u>2,307,206</u>	<u>2,312,742</u>	<u>1,855,017</u>	<u>2,026,600</u>

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

	2023	2022
	\$	\$
Fixed income	815,831	660,390
Equities	1,352,351	1,158,322
Others	139,024	36,305
	<u>2,307,206</u>	<u>1,855,017</u>

(ii) Investment in a private corporation

During the year ended June 30, 2023, the Organization received no common shares of a private corporation as an unrestricted donation.

5 Tangible capital assets and intangible assets

			2023	2022
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Tangible capital assets				
Computers	173,793	119,599	54,194	51,627
Furniture	21,236	15,584	5,652	5,114
Leasehold improvements	93,653	13,865	79,788	-
	<u>288,682</u>	<u>149,048</u>	<u>139,634</u>	<u>56,741</u>
Intangible assets				
Domain	16,272	-	16,272	16,272
Website	354,347	252,541	101,806	6,106
Systems	45,204	6,000	39,204	18,000
	<u>415,823</u>	<u>258,541</u>	<u>157,282</u>	<u>40,378</u>
	<u>704,505</u>	<u>407,589</u>	<u>296,916</u>	<u>97,119</u>

6 Deferred contributions

	Balance –		Amounts	Balance –
	Beginning of	Funds	recognized	End of
	year	received	as revenue	year
	\$	\$	\$	\$
Private				
Donations	593,614	3,574,910	2,946,988	1,221,536
Donations of capital assets	3,067	-	-	3,067
Government funding	-	2,376,827	1,455,483	921,344
	<u>596,681</u>	<u>5,951,737</u>	<u>4,402,471</u>	<u>2,145,947</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.

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Notes to Financial Statements

June 30, 2023

8 Commitments

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

	\$
2024	139,914
2025	139,914
2026	147,687
2027	150,278
	<hr/>
	577,793
	<hr/>

The rental agreement (192 Spadina Avenue) expired in December 2022. A new rental agreement (243 College Street) began in October 2022 and expires in September 2025. Under the rental agreement (243 College St.), the Organization has two consecutive options to extend the Term, each for a further period of one year, exercisable through a written notice at least six months prior to the end of the Term or the first extension term.

9 Related party balances and transactions

Donation revenue includes \$41,420 (2022 – \$40,471) from management and board members.

10 Allocation of expenses

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

				2023
	Personnel \$	Rent \$	Other program expenses \$	Total \$
National student summit (Jack Summit)	983,259	39,003	894,639	1,916,901
School and community outreach (Jack Talks)	1,363,944	52,654	222,197	1,638,795
Campus-based activities (Jack Chapters)	1,071,380	42,903	250,813	1,365,096
Mental health collaboration activities	691,010	20,484	516,575	1,228,069
Be There	974,195	24,003	368,010	1,366,208
Marketing	327,975	12,576	126,308	466,859
Finance and administration	534,705	15,524	260,859	811,088
Fundraising	1,328,061	54,361	771,682	2,154,104
	<hr/>			
	7,274,529	261,508	3,411,083	10,947,120
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	2022			
	Personnel \$	Rent \$	Other program expenses \$	Total \$
National student summit (Jack Summit)	859,065	29,815	653,643	1,542,523
School and community outreach (Jack Talks)	873,854	28,526	242,363	1,144,743
Campus-based activities (Jack Chapters)	745,518	27,238	351,483	1,124,239
Mental health collaboration activities	620,500	21,717	222,572	864,789
Be There	489,907	18,772	689,795	1,198,474
Marketing	312,059	8,650	58,239	378,948
Finance and administration	384,464	11,226	82,466	478,156
Fundraising	1,119,706	38,096	930,350	2,088,152
	5,405,073	184,040	3,230,911	8,820,024

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, 2023, allowance for doubtful accounts amounted to \$4,168 (2022 – \$1,000).

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, 2023, 34% (2022 – 35%) 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.

Although the majority of the emergency measures and restrictions had been removed by the governments and the Organization's program delivery and fundraising events had gradually been transitioned to the pre-pandemic level, the long-term impact of the pandemic 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, the Board and management are in the process of establishing a contingency plan and monitoring process to mitigate risks and maintain youth-facing program activities. 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, 2023, assistance under CEWS and CRHP set up by the Government of Canada to assist local businesses during the COVID-19 pandemic was no longer available. Accordingly, the Organization received no amount (2022 – \$357,974) of CEWS and CRHP assistance which could be recognized as Government funding revenues in the statement of operations. There is no outstanding CEWS and CRHP amount at year-end (2022 – nil).