Jack.org

Financial Statements
June 30, 2016

September 26, 2016

Independent Auditor's Report

To the Directors of
Jack.org

We have audited the accompanying financial statements of Jack.org, which comprise the statement of financial position as at June 30, 2016 and the statements of operations and changes in fund balances and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

PricewaterhouseCoopers LLP
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Basis for qualified opinion
In common with many not-for-profit organizations, Jack.org derives revenues from donations, 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 Jack.org. Therefore, we were not able to determine whether any adjustments might be necessary to donations, excess of revenue over expenditures and cash flows from operations for the years ended June 30, 2016 and 2015, current assets as at June 30, 2016 and 2015 and net assets as at the beginning and the end of the years ended June 30, 2016 and 2015. Our audit opinion on the financial statements for the year ended June 30, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion
In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Jack.org as at June 30, 2016 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

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Statement of Financial Position

As at June 30, 2016

	2016 $	2015 $
Assets		
Current assets		
Cash	126,764	162,237
Short-term investments (note 3)	897,300	700,000
Accounts and other receivables	20,917	13,085
Sponsorship receivable	65,838	41,000
HST receivable	33,253	36,402
Prepaid expenses	11,979	17,809
	1,156,051	970,533
Capital assets (note 4)	3,709	7,097
Intangible assets - domain name	16,272	16,272
	1,176,032	993,902
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	7,983	9,325
Deferred contributions	25,000	50,000
	32,983	59,325
Fund Balance - unrestricted	1,143,049	934,577
	1,176,032	993,902

Commitments (note 7)

Approved by the Board of Directors

_________________________ Director _________________________ Director

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

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Statement of Operations and Changes in Fund Balances

For the year ended June 30, 2016

	2016 $	2015 $
Revenue		
Foundations	342,551	387,142
Donations	805,868	645,661
Corporate sponsorship	217,864	183,371
In-kind revenue	35,600	32,795
Event registration	55,153	38,550
Speaker fees	33,524	24,199
Interest	6,593	5,125
Grant from related party (note 5)	25,000	40,602
	1,522,153	1,357,445
Expenditures (note 6)		
National student summit (Jack Summit)	322,331	315,632
School and community outreach (Jack Talks)	119,552	87,509
Campus-based activities (Jack Chapters)	251,664	104,108
Network platform (Jack Hub)	-	65,383
Mental health collaboration activities	68,441	39,132
Marketing	70,464	53,733
Finance and administration	183,000	176,816
Fundraising	298,229	199,477
	1,313,681	1,041,790
Excess of revenue over expenditures for the year	208,472	315,655
Fund balance - Beginning of year	934,577	618,922
Fund balance - End of year	1,143,049	934,577

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, 2016

	2016 $	2015 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	208,472	315,655
Item not affecting cash		
Amortization of capital assets	3,388	3,067
Changes in non-cash working capital items		
Accounts and other receivables	(7,832)	(11,781)
Sponsorship receivable	(24,838)	14,000
HST receivable	3,149	(15,011)
Prepaid expenses	5,830	(14,057)
Accounts payable and accrued liabilities	(1,342)	(5,966)
Deferred revenue	(25,000)	40,000
	161,827	325,907
Investing activities		
Acquisition of tangible capital assets	-	(3,417)
Purchase of short-term investments	(527,300)	(340,000)
Proceeds from sale of investments	330,000	90,000
	(197,300)	(253,417)
Change in cash during the year	(35,473)	72,490
Cash - Beginning of year	162,237	89,747
Cash - End of year	126,764	162,237

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 focuses on youth engagement and youth leadership in mental health and encourages young people to take care of themselves and their peers. With a vision of No More Silence, the organization puts youth at the centre of all its initiatives, which include, but are not limited to:

- Jack Talks - a national network of youth speakers;
- Jack Summit - a national student-led mental health innovation summit; and
- Jack Chapters - a network of on-campus clubs at secondary/post-secondary schools across Canada.

By giving youth the freedom, flexibility and tools to lead the design and delivery of initiatives, the organization will effectively reach outside the self-selecting (1 in 5) demographic of people interested in or affected by mental health and engage all Canadians (5 in 5). These efforts will bring people closer to a generation without stigma, where there will be better well-being for young people and fewer youth suicides.

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:

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.

Capital assets

Capital assets are recorded at cost, net of accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets, which is three years. The amortization methods and the estimated useful lives of tangible capital assets are reviewed on a regular basis.

Intangible assets

Intangible assets acquired individually or as a part of a group of other assets are initially recognized and measured at cost. The amortization methods and estimated useful lives of intangible assets are reviewed annually. Amortization commences in the year the asset is purchased or put in use and the cost is amortized over the estimated useful lives on a straight-line basis.

Indefinite lifetime intangible assets are not amortized and are examined for impairment in accordance with ASNPO. The organization has an indefinite life intangible, which is a domain name.

Impairment of long-lived assets

The organization reviews the carrying amount, amortization and useful lives of its long-lived assets regularly. If the long-lived asset no longer has any long-term service potential to the organization, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of operations and changes in fund balances.

Allocated expenses

Expenses are allocated to programs and support categories, at cost, based on management's best estimate of time allocated to each program or support category.

Contributed materials and services

The organization recognizes contributed materials and services 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. The organization considers a value of $5,000 as the lower limit of tracking such contributions. During the prior year, the organization received discounted rental space valued at $29,789, which was recorded as in-kind revenue in the statement of operations and changes in fund balances. No rent reductions were received in the current year. The organization also received contributed materials and services in the amount of $35,600 (2015 - $32,785) in the current year.

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.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except related party transactions, which are recorded at their exchange amount. The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, sponsorship receivable, HST receivable, interest receivable and accounts payable and accrued liabilities.

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

3 Short-term investments

The organization's short-term investments include guaranteed investment certificates with fixed income rates varying between 0.75% and 1.25% (2015 - 0.90% and 1.30%) and maturity dates ranging between March 2016 and June 2019 (2015 - October 2015 and May 2018). Included in short-term investments is a restricted balance of $10,000 (2015 - $10,000) with an interest rate of prime minus 2% (2015 - prime minus 1.95%).

4 Capital assets

			2016	2015
	Cost $	Accumulated amortization $	Net $	Net $
Computers	10,164	6,455	3,709	7,097

5 Related party balances and transactions

Jack.org/Queen's Student Initiative Fund is a segregated fund managed by Queen's. It serves as a partnership between the Windeler family and Queen's to engage students in the subject of mental health in honour of former Queen's student Jack Windeler. It is overseen by an adjudication panel, which includes two Queen's staff, two Queen's students and one parent representative. Final decisions on all expenditures lie with the Provost of Queen's.

The primary focus of the fund to date has been to:

- support the Jack Summit, which is operated by the organization;
- support the findings of Queen's Principal's Commission on Mental Health;
- support student-led mental health initiatives on Queen's campus; and
- support innovation in the field of youth mental health.

During the year, the organization received from Jack.org/Queen's Student Initiative Fund a transfer in the amount of $nil (2015 - $90,602) and $37,945 (2015 - $23,925) from management and board members, respectively.

6 Allocation of expenses

When presenting the financial results, various allocations are made on an appropriate and consistent basis to reflect the estimated cost of activities contributing to the organization's goals and results.

Personnel costs and rent expenses were allocated by the organization as follows:

	2016		2015	
	Personnel costs $	**Rent $**	**Personnel costs $**	**Rent $**
Jack Summit (national student summit)	92,900	12,098	93,780	7,878
Jack Talks (school and community Outreach)	101,600	9,074	56,368	5,909
Jack Chapters (campus-based activities)	143,452	9,074	57,048	5,909
Jack Hub (mental health innovation platform)	-	-	17,533	-
Mental health collaboration activities	55,642	-	38,377	-
Marketing	47,689	-	45,339	-
Finance and administration	58,348	30,247	77,493	22,215
Fundraising	143,234	-	89,666	-
	642,865	60,493	475,604	41,911

7 Commitments

The organization has entered into contractual commitments relating to the implementation of certain projects and its operating activities. The total commitments relating to implementation of projects amount to $10,930.

The organization entered into an agreement to lease the premises from which it operates. The lease expires on June 30, 2017 and the commitment for fiscal 2017 is $58,200.

8 Risk management of financial instruments

It is management's opinion that the organization is not exposed to significant currency risk. Exposure to interest rate, credit and liquidity risks is as follows:

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization manages this risk by investing in low risk investments, such as guaranteed investment certificates. Management assesses the organization's interest rate risk to be low.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk primarily through its accounts receivable. Management considers the credit risk to be low.

Liquidity risk

Liquidity risk is the risk the organization will not be able to meet its financial obligations as they come due. The organization manages liquidity risk through regular monitoring of forecast and actual cash flows. Given the organization's available liquid resources as compared to the timing of the payment of liabilities, management assesses the organization's liquidity risk to be low.