

Jack.org

Financial Statements
June 30, 2015



September 17, 2015

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, 2015 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.

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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 revenues over expenditures and cash flows from operations for the years ended June 30, 2015 and June 30, 2014, current assets as at June 30, 2015 and June 30, 2014 and net assets as at the beginning and the end of the years ended June 30, 2015 and June 30, 2014. Our audit opinion on the financial statements for the year ended June 30, 2014 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, 2015 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

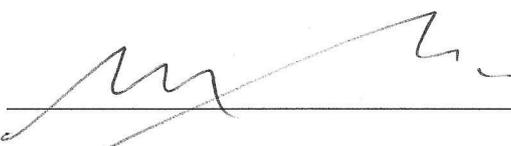
Jack.org

Statement of Financial Position

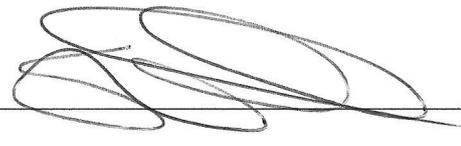
As at June 30, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	162,237	89,747
Short-term investments (note 3)	700,000	450,000
Accounts receivable	7,667	-
Sponsorship receivable	41,000	55,000
HST receivable	36,402	21,391
Interest receivable	5,418	1,304
Prepaid expenses	17,809	3,752
	<u>970,533</u>	<u>621,194</u>
Capital assets (note 4)	7,097	6,747
Intangible assets - domain name	16,272	16,272
	<u>993,902</u>	<u>644,213</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	9,325	15,291
Deferred contributions	50,000	10,000
	<u>59,325</u>	<u>25,291</u>
Fund Balance - unrestricted	934,577	618,922
	<u>993,902</u>	<u>644,213</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 Operations and Changes in Fund Balances

	Year ended June 30, 2015 \$	Period from July 18, 2013 to June 30, 2014 \$
Revenue		
Foundations	387,142	414,233
Donations	645,661	290,071
Corporate sponsorship	183,371	142,500
In-kind revenue	32,795	29,789
Event registration	38,550	44,460
Speaker fees	24,199	15,105
Interest	5,125	1,312
Related party transfer (note 5)	40,602	181,420
	1,357,445	1,118,890
Expenditures (note 6)		
National Student Summit (Jack Summit)	315,632	222,460
School and Community Outreach (Jack Talks)	87,509	30,241
Campus-based Activities (Jack Chapters)	104,108	12,193
Network Platform (Jack Hub)	65,383	45,980
Mental Health Collaboration Activities	39,132	14,415
Marketing	53,733	15,766
Finance and Administration	176,816	75,645
Fundraising	199,477	83,268
	1,041,790	499,968
Excess of revenue over expenditures for the period	315,655	618,922
Fund balance - Beginning of period	618,922	-
Fund balance - End of period	934,577	618,922

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

Jack.org
Statement of Cash Flows

	Year ended June 30, 2015 \$	Period from July 18, 2013 to June 30, 2014 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the period	315,655	618,922
Item not affecting cash		
Amortization of capital assets	3,067	-
Changes in non-cash working capital items		
Accounts receivable	(7,667)	-
Sponsorship receivable	14,000	(55,000)
HST receivable	(15,011)	(21,391)
Interest receivable	(4,114)	(1,304)
Prepaid expenses	(14,057)	(3,752)
Accounts payable and accrued liabilities	(5,966)	15,291
Deferred revenue	40,000	10,000
	<hr/> 325,907	<hr/> 562,766
Investing activities		
Acquisition of tangible capital assets	(3,417)	(6,747)
Acquisition of intangible assets	-	(16,272)
Purchase of short-term investments	(340,000)	(450,000)
Proceeds from sale of investments	90,000	-
	<hr/> (253,417)	<hr/> (473,019)
Change in cash during the period	72,490	89,747
Cash - Beginning of period	89,747	-
Cash - End of period	<hr/> 162,237	<hr/> 89,747

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

1 Description of organization

Jack.org (the organization), formerly The Jack Project, 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 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 \$32,785 (2014 - \$nil) 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 and cash equivalents, 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 government investment certificates with fixed income rates varying between 0.9% and 1.95% (2014 - 1.15% and 1.25%) and maturity dates ranged between October 2015 and May 2018 (2014 - October 2016 - June 2017). Included in short-term investments is a restricted balance of \$10,000 (2014 - \$nil).

4 Capital assets

			2015	2014
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computers	10,164	3,067	7,097	6,747

5 Related party balances and transactions

Jack.org/Queen's Student Initiative Fund is a segregated fund managed by Queen's University. It serves as a partnership between the Windeler family and Queen's University 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 University.

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 the 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 period, the organization received from Jack.org/Queen's Student Initiative Fund a transfer in the total amount of \$90,602 (2014 - \$181,420), of which \$40,602 related to the fiscal 2015 year targeted for the 2015 National Student Summit, contribution to staffing costs, and contribution to overhead, including rent, travel and volunteer stipends.

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:

	2015	
	Personnel costs \$	Rent \$
Jack Summit (National Student Summit)	93,780	7,878
Jack Talks (School and Community Outreach)	56,368	5,909
Jack Chapters (Campus-based Activities)	57,048	5,909
Jack Hub (Mental Health Innovation Platform)	17,533	-
Mental Health Collaboration Activities	38,377	-
Marketing	45,339	-
Finance and Administration	77,493	22,215
Fundraising	89,666	-
	<hr/> 475,604	<hr/> 41,911
	2014	
	Personnel costs \$	Rent \$
Jack Summit (National Student Summit)	66,837	3,928
Jack Talks (School and Community Outreach)	27,845	1,473
Jack Chapters (Campus-based Activities)	11,538	655
Jack Hub (Mental Health Innovation Platform)	17,371	1,064
Mental Health Collaboration Activities	13,480	573
Marketing	11,654	737
Finance and Administration	29,588	2,210
Fundraising	27,506	2,456
	<hr/> 205,819	<hr/> 13,096

7 Commitments

The organization has entered into contractual commitments relating to the implementation of certain projects and its operating activities.

The minimum annual payments for the premises under operating lease and other commitments are as follows:

	\$
2016	65,570
2017	<u>64,195</u>
	<u>129,765</u>

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.

9 Comparative figures

Certain comparative figures have been reclassified to conform to the presentation of the current year's financial statements.