Jack.org

Financial Statements
June 30, 2014

September 10, 2014

Independent Auditor's Report

To the Directors of
Jack.org

Insert text here. We have audited the accompanying financial statements of Jack.org, which comprise the statement of financial position as at June 30, 2014 and the statements of operations and changes in fund balances and cash flows for the period from July 18, 2013 to June 30, 2014, 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 revenue, excess of revenue over expenditures and cash flows from operations for the period from July 18, 2013 to June 30, 2014, current assets as at June 30, 2014 and the fund balance as at June 30, 2014.

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, 2014 and the results of its operations and its cash flows for the period from July 18, 2013 to June 30, 2014 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, 2014

	$
Assets	
Current assets	
Cash and cash equivalents (note 3)	539,747
Sponsorship receivable	55,000
HST receivable	21,391
Interest receivable	1,304
Prepaid expenses	3,752
	621,194
Capital assets (note 4)	6,747
Intangible assets - domain name	16,272
	644,213
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	15,291
Deferred contributions	10,000
	25,291
Fund balance - unrestricted	618,922
	644,213

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 period from July 18, 2013 to June 30, 2014

	$
Revenue	
Foundations	414,233
Individual giving	290,071
Corporate sponsorship	142,500
In-kind revenue	29,789
Event registration	44,460
Speaker fees	15,105
Interest	1,312
Related party transfer (note 5)	181,420
	1,118,890
Expenditures (note 6)	
Unleash the Noise Student Summit (Jack Summit)	222,460
School and Community Outreach (Jack Talks)	30,241
Campus-based Activities (Jack Chapters)	12,193
Mental Health Innovation Platform (Jack Hub)	45,980
Mental Health Collaboration activities	14,415
Marketing	15,766
Finance and administration	75,645
Fundraising	83,268
	499,968
Excess of revenue over expenditures for the period	618,922
Fund balance - Beginning of period	-
Fund balance - End of period	618,922

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

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Statement of Cash Flows

For the period from July 18, 2013 to June 30, 2014

	$
Cash provided by (used in)	
Operating activities	
Excess of revenue over expenditures for the period	618,922
Changes in non-cash working capital items	
Sponsorship receivable	(55,000)
HST receivable	(21,391)
Interest receivable	(1,304)
Prepaid expenses	(3,752)
Accounts payable and accrued liabilities	15,291
Deferred revenue	10,000
	562,766
Investing activities	
Acquisition of tangible capital assets	(6,747)
Acquisition of intangible assets	(16,272)
	(23,019)
Change in cash and cash equivalents during the period and cash and cash equivalents - End of period	539,747

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/posts-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 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.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

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 as follows:

Office equipment	3 years
Furniture and fixtures	5 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.

Domain name	indefinite lifetime

Impairment of long-lived assets

An impairment charge is recognized for long-lived assets whenever an event or change in circumstances causes an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the assets and the carrying value.

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 period, the organization received discounted rental space valued at $29,789, which has been recorded as in-kind revenue in the statement of operations and changes in fund balances.

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, 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 amount 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 expenditures during the reporting period. Actual results could differ from those estimates.

3 Cash and cash equivalents

Included in cash and cash equivalents are cashable short-term investments as follows:

	$
Fixed rate GIC, 1.25%, 2016	90,000
Fixed rate GIC, 1.25%, 2017	160,000
Fixed rate GIC, 1.15%, 2017	200,000
	450,000

4 Capital assets

	Cost $	Accumulated amortization $	Net $
Computers	6,747	-	6,747

5 Related party balances and transactions

a) The Jack Project @ Queen’s 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 advisory board, which includes two Queen’s staff, two Queen’s students and two Windeler family representatives. 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 National Student Summit (Unleash the Noise), 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 The Jack Project @ Queen's a transfer in the total amount of $181,420 targeted for the 2014 National Student Summit, contribution to staffing costs, contribution to overhead, including rent, travel and volunteer stipends.

b) During the period, the organization received donations from the Board of Directors, senior management, and their immediate family members in the total amount of $10,105.

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:

	Personnel costs $	Rent $
Unleash the Noise Student Summit	66,837	3,928
School and Community Outreach	27,845	1,473
Campus-based activities	11,538	655
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
	205,819	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:

	$
2015	37,420
2016	7,370
2017	5,995
Thereafter	-
	50,785

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.