

**FINANCIAL STATEMENTS**

**For**

**JACK.ORG**

**For year ended**

**JUNE 30, 2024**

**INDEPENDENT AUDITOR'S REPORT**

To the directors of

**JACK.ORG**

*Opinion*

We have audited the financial statements of Jack.org (the Organization), which comprise the statement of financial position as at June 30, 2024, and the statements of changes in net assets and operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2024 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.

*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 are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Matter*

The financial statements of the Organization for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 27, 2023.

*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.

*Welch LLP*

Chartered Professional Accountants  
Licensed Public Accountants

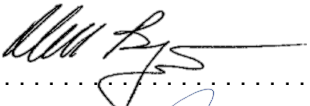

Ottawa, Ontario  
September 24, 2024.

**JACK.ORG**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 683,205	\$ 2,419,758
Guaranteed investment certificates (note 3)	2,566,618	2,439,450
Accounts and other receivables	206,355	114,688
HST receivable	77,183	127,328
Prepaid expenses	<u>36,065</u>	<u>77,123</u>
	3,569,426	5,178,347
<b>INVESTMENTS</b> (note 4)	2,570,105	2,365,638
<b>TANGIBLE CAPITAL ASSETS</b> (note 5)	106,638	139,634
<b>INTANGIBLE ASSETS</b> (note 5)	<u>385,727</u>	<u>157,282</u>
	<u>\$ 6,631,896</u>	<u>\$ 7,840,901</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 597,875	\$ 535,496
Deferred contributions (note 6)	<u>553,814</u>	<u>2,145,947</u>
	1,151,689	2,681,443
<b>NET ASSETS</b>		
Unrestricted	4,369,178	2,993,878
Internally restricted - Tangible capital and intangible assets	492,365	296,916
- Legacy fund (note 7)	618,664	618,664
- COVID-19 contingency fund (note 7)	<u>-</u>	<u>1,250,000</u>
	<u>5,480,207</u>	<u>5,159,458</u>
	<u>\$ 6,631,896</u>	<u>\$ 7,840,901</u>

**Commitments** (note 8)

Approved by the Board:

  
 ..... Director  
  
 ..... Director

(See accompanying notes)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2024

	Balance, beginning <u>of year</u>	Net revenue (expenses) for the year	<u>Transfers</u>	Balance, end <u>of year</u>
Unrestricted	\$ 2,993,878	\$ 423,152	\$ 952,148	\$ 4,369,178
Internally restricted -				
Tangible capital and intangible assets	296,916	(102,403)	297,852	492,365
Legacy fund (note 7)	618,664	-	-	618,664
COVID-19 contingency fund (note 7)	<u>1,250,000</u>	<u>-</u>	<u>(1,250,000)</u>	<u>-</u>
	<u>\$ 5,159,458</u>	<u>\$ 320,749</u>	<u>\$ -</u>	<u>\$ 5,480,207</u>

(See accompanying notes)

**JACK.ORG**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Institutional contributions	\$ 4,967,871	\$ 4,152,453
Donations	2,295,441	2,790,268
Government funding	1,537,836	1,457,552
Investment income	224,718	203,618
Interest	196,160	162,029
In-kind revenue	40,745	26,912
Event registration	1,760	-
	<u>9,264,531</u>	<u>8,792,832</u>
<b>Expenses (note 10)</b>		
National student summit (Jack Summit)	-	2,258,453
School and community outreach (Jack Talks)	1,853,071	1,980,348
Campus-based activities (Jack Chapters)	1,791,317	1,706,649
Be There	1,863,424	1,569,622
Marketing	289,895	466,859
Finance and administration	911,616	811,088
Fundraising	<u>1,995,598</u>	<u>2,154,101</u>
	<u>8,704,921</u>	<u>10,947,120</u>
<b>Net revenue (expenses) before items below</b>	559,610	(2,154,288)
<b>Other expenses</b>		
Branding (note 5)	<u>238,861</u>	<u>-</u>
<b>Net revenue (expenses) for the year</b>	<u>\$ 320,749</u>	<u>\$ (2,154,288)</u>

(See accompanying notes)

**JACK.ORG**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating activities</b>		
Net revenue (expense) for the year	\$ 320,749	\$(2,154,288)
Items not affecting cash:		
Changes in fair value of investments	(204,467)	(202,189)
Amortization of tangible capital assets	53,281	43,841
Amortization of intangible assets	<u>49,122</u>	<u>74,125</u>
	218,685	(2,238,511)
Changes in non-cash working capital items:		
Accounts and other receivables	(91,667)	(94,097)
Sponsorship receivable	-	50,000
HST receivable	50,145	21,865
Prepaid expenses	41,058	39,799
Accounts payable and accrued liabilities	62,379	112,925
Deferred contributions	(1,592,133)	1,549,266
Accrued interest on guaranteed investment certificates	<u>(123,394)</u>	<u>9,991</u>
	<u>(1,434,927)</u>	<u>(548,762)</u>
<b>Investing activities</b>		
Acquisition of tangible capital assets and intangible assets	(297,852)	(317,762)
Purchase of guaranteed investment certificates	(77,824)	(3,081,755)
Proceeds from sale of guaranteed investment certificates	74,050	6,014,185
Purchase of investments	<u>-</u>	<u>(250,000)</u>
	<u>(301,626)</u>	<u>2,364,668</u>
<b>INCREASE (DECREASE) IN CASH</b>	(1,736,553)	1,815,906
<b>CASH - BEGINNING OF YEAR</b>	<u>2,419,758</u>	<u>603,852</u>
<b>CASH - END OF YEAR</b>	<u>\$ 683,205</u>	<u>\$ 2,419,758</u>

(See accompanying notes)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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](http://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.

*Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Management makes accounting estimates when determining its allowance for doubtful accounts receivable, the useful lives of tangible capital and intangible assets, and in determining certain accrued liabilities. Actual results could differ from these estimates.

*Cash*

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



NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

*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 years
Leasehold improvements	Remaining life of lease
Website	5 years
Systems	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.

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED JUNE 30, 2024

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

*Revenue recognition*

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses such as grants, are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

*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 \$40,745 (2023 - \$26,912) are recognized as in-kind revenue and expense in the statement of operations.

Contributed shares of certain listed companies amounting to \$88,526 (2023 - \$43,344) 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.

*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 in 2024 (2023 - mature in 2023 and 2024).

	<u>2024</u>	<u>2023</u>
Variable at prime less 1.95% to 3.20%		
(2023 - prime less 1.60% to 1.95%)	\$ 2,440,023	\$ 2,436,249
Accrued interest	<u>126,595</u>	<u>3,201</u>
	<u>\$ 2,566,618</u>	<u>\$ 2,439,450</u>

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED JUNE 30, 2024

4. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Investment in pooled funds (i)	\$ 2,511,673	\$ 2,307,206
Investment in a private corporation (ii)	<u>58,432</u>	<u>58,432</u>
	<u>\$ 2,570,105</u>	<u>\$ 2,365,638</u>

(i) Investment in pooled funds

	<u>2024</u>		<u>2023</u>	
	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>
Pooled funds	\$ 2,511,673	\$ 2,509,153	\$ 2,307,206	\$ 2,312,742

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

	<u>2024</u>	<u>2023</u>
Fixed income	\$ 937,622	\$ 815,831
Equities	1,543,874	1,352,351
Others	<u>30,177</u>	<u>139,024</u>
	<u>\$ 2,511,673</u>	<u>\$ 2,307,206</u>

(ii) Investment in a private corporation

During the years ended June 30, 2024 and 2023, the Organization received no common shares of a private corporation as an unrestricted donation.

5. TANGIBLE CAPITAL ASSETS AND INTANGIBLE ASSETS

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Tangible capital assets				
Computers	\$ 172,254	\$ 146,393	\$ 25,861	\$ 54,194
Furniture	21,236	16,793	4,443	5,652
Leasehold improvements	<u>115,477</u>	<u>39,143</u>	<u>76,334</u>	<u>79,788</u>
	<u>308,967</u>	<u>202,329</u>	<u>106,638</u>	<u>139,634</u>
Intangible assets				
Domain	16,272	-	16,272	16,272
Website	631,913	294,101	337,812	101,806
Systems	<u>45,204</u>	<u>13,561</u>	<u>31,643</u>	<u>39,204</u>
	<u>693,389</u>	<u>307,662</u>	<u>385,727</u>	<u>157,282</u>
	<u>\$ 1,002,356</u>	<u>\$ 509,991</u>	<u>\$ 492,365</u>	<u>\$ 296,916</u>

During the year, the Organization spent \$238,861 to refresh the Jack.org brand. These costs have been expensed in the statement of operations.

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED JUNE 30, 2024

6. DEFERRED CONTRIBUTIONS

	Balance - beginning of year	Funds received	Amounts recognized as revenue	Balance - end of year
Private				
Donations	\$ 1,221,536	\$ 2,537,539	\$ 3,271,653	\$ 487,422
Donations of capital assets	3,067	-	3,067	-
Government funding	<u>921,344</u>	<u>676,620</u>	<u>1,531,572</u>	<u>66,392</u>
	<u>\$ 2,145,947</u>	<u>\$ 3,214,159</u>	<u>\$ 4,806,292</u>	<u>\$ 553,814</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.

*COVID-19 contingency fund*

The Organization restricted net assets amounting to \$1,250,000 for any potential impact of COVID-19 on the operations. During the year, the Board approved the balance of this fund to be transferred to unrestricted net assets.

8. COMMITMENTS

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

2025	\$ 139,914
2026	147,687
2027	150,278

The Organization has a rental agreement (243 College Street) that began in October 2022 and expires in September 2025. Under the rental agreement, 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 \$24,981 (2023 - \$41,420) from management and board members.

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED JUNE 30, 2024

10. ALLOCATION OF EXPENSES

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

	2024			
	<u>Personnel</u>	<u>Rent</u>	<u>Other program expenses</u>	<u>Total</u>
National student summit (Jack Summit)	\$ -	\$ -	\$ -	\$ -
School and community outreach (Jack Talks)	1,504,106	60,513	288,452	1,853,071
Campus-based activities (Jack Chapters)	1,391,874	47,170	352,273	1,791,317
Be There	1,270,251	61,393	531,780	1,863,424
Marketing	204,605	6,352	78,938	289,895
Finance and administration	506,965	12,637	392,014	911,616
Fundraising	1,228,831	47,279	719,488	1,995,598
	<u>\$ 6,106,632</u>	<u>\$ 235,344</u>	<u>\$ 2,362,945</u>	<u>\$ 8,704,921</u>

	2023			
	<u>Personnel</u>	<u>Rent</u>	<u>Other program expenses</u>	<u>Total</u>
National student summit (Jack Summit)	\$ 1,226,807	\$ 45,004	\$ 986,642	\$ 2,258,453
School and community outreach (Jack Talks)	1,607,493	58,655	314,200	1,980,348
Campus-based activities (Jack Chapters)	1,314,929	48,904	342,816	1,706,649
Be There	934,559	26,485	608,578	1,569,622
Marketing	327,975	12,576	126,308	466,859
Finance and administration	534,705	15,524	260,859	811,088
Fundraising	1,328,061	54,360	771,680	2,154,101
	<u>\$ 7,274,529</u>	<u>\$ 261,508</u>	<u>\$ 3,411,083</u>	<u>\$ 10,947,120</u>

**JACK.ORG**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED JUNE 30, 2024**

**11. FINANCIAL INSTRUMENTS**

*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. 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 are closely monitored for recovery. Allowance for doubtful accounts is recognized for receivables that are not expected to be recovered. As at June 30, 2024, allowance for doubtful accounts amounted to \$nil (2023 - \$4,168).

*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.

i) 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).

ii) 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, 2024, 22% (2023 - 34%) of investments in equity holdings are denominated in US dollars.

iii) 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).

*Changes in risk*

There have been no significant changes in the Organization's risk exposures from the prior year ended.

**12. COMPARATIVE FIGURES**

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.