
Financial statements of Kids Help Phone

December 31, 2024

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Independent Auditor's Report

To the Members of
Kids Help Phone

Opinion

We have audited the financial statements of Kids Help Phone (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 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 ("Canadian GAAS"). 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 other 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 audit opinion.

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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 22, 2025

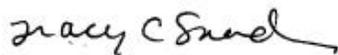
Kids Help Phone

Statement of financial position

As at December 31, 2024

| | Notes | 2024 \$ | 2023 \$ |
|--|-----------|--------------------------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash | | 21,753,420 | 12,407,045 |
| Short-term investments | 4(a) | 54,947 | — |
| Accounts receivable | | 2,502,036 | 4,534,395 |
| Prepaid expenses and other | | 266,451 | 96,912 |
| | | 24,576,854 | 17,038,352 |
| Restricted cash and investments | | | |
| Reserve Fund | 4(b) | 7,375,000 | 7,375,000 |
| Innovation Fund | | 12,187,960 | 11,210,063 |
| Unlock and Thrive Horizons ("UTH") Fund | | 2,251,217 | 2,567,877 |
| Clinical Services ("CS") Future Fund | | 3,682,400 | 3,682,400 |
| | | 25,496,577 | 24,835,340 |
| Long-term investments | | | |
| Capital assets | 4(c) 5 | 1,650,914 1,733,568 | 469,176 2,064,518 |
| | | 53,457,913 | 44,407,386 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 14 | 6,265,339 | 5,524,294 |
| Deferred revenue | 6 | 11,971,857 | 5,596,107 |
| | | 18,237,196 | 11,120,401 |
| Commitments | | | |
| | 8 | | |
| Fund balances | | | |
| | 3 and 10 | | |
| Operating Fund | | | |
| General | | 7,990,572 | 6,387,127 |
| Invested in capital assets | | 1,733,568 | 2,064,518 |
| Restricted Funds | | | |
| Reserve Fund | | 7,375,000 | 7,375,000 |
| Innovation Fund | | 12,187,960 | 11,210,063 |
| UTH Fund | | 2,251,217 | 2,567,877 |
| CS Future Fund | | 3,682,400 | 3,682,400 |
| | | 35,220,717 | 33,286,985 |
| | | 53,457,913 | 44,407,386 |

The accompanying notes and schedules are an integral part of the financial statements.



_____, Chair of the Board



_____, Treasurer

Kids Help Phone
Statement of revenue and expenses
Year ended December 31, 2024

| | Operating Fund | | Restricted Funds | | 2024 Total |
|---|-------------------|------------------|------------------|----------------|-------------------|
| | General | Innovation | UTH | CS Future | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenue | | | | | |
| Events | 5,892,370 | 1,614 | — | — | 5,893,984 |
| General donations and grants | 15,601,877 | 2,131,674 | — | — | 17,733,551 |
| Government grants | | | | | |
| Kids Help Phone programs | 16,876,721 | — | — | — | 16,876,721 |
| Good2Talk program | 5,414,605 | — | — | — | 5,414,605 |
| Other | — | — | — | 217,299 | 217,299 |
| Investment income | 787,314 | 429,521 | 82,970 | 128,116 | 1,427,921 |
| Unrealized gain on investments | 670,250 | 740,077 | 153,195 | 85,442 | 1,648,964 |
| Other | 123,038 | — | — | — | 123,038 |
| | 45,366,175 | 3,302,886 | 236,165 | 430,857 | 49,336,083 |
| Expenses | | | | | |
| Service delivery costs | | | | | |
| Kids Help Phone (Schedule A) | 27,488,569 | — | — | — | 27,488,569 |
| Innovation and development (Schedule A) | — | 2,324,989 | — | — | 2,324,989 |
| Good2Talk (Schedule A) | 5,414,605 | — | — | — | 5,414,605 |
| CS Future Fund (Schedule A) | — | — | — | 430,857 | 430,857 |
| Direct fundraising (Schedule A) | 6,179,325 | — | — | — | 6,179,325 |
| General and administrative (Schedule A) | 4,573,251 | — | 552,825 | — | 5,126,076 |
| Amortization of capital assets | 437,930 | — | — | — | 437,930 |
| | 44,093,680 | 2,324,989 | 552,825 | 430,857 | 47,402,351 |
| Excess (deficiency) of revenue over expenses | 1,272,495 | 977,897 | (316,660) | — | 1,933,732 |

Notes

9 and 12

The accompanying notes and schedules are an integral part of the financial statements.

Kids Help Phone

Statement of revenue and expenses (continued)

Year ended December 31, 2023

| | Operating Fund | | | Restricted Funds | | 2023 Total \$ |
|---|-------------------|------------------|----------------|------------------|------------------------|---------------------|
| | General | Innovation | UTH | CS Future | Kyra Field Memorial | |
| | \$ | \$ | \$ | \$ | \$ | |
| Revenue | | | | | | |
| Events | 6,435,101 | 1,500 | — | — | — | 6,436,601 |
| General donations and grants | 11,039,652 | 1,331,667 | — | — | — | 12,371,319 |
| Government grants | | | | | | |
| Kids Help Phone programs | 16,430,579 | — | — | — | — | 16,430,579 |
| Good2Talk program | 4,813,677 | — | — | — | — | 4,813,677 |
| Other | — | — | — | 2,120,240 | — | 2,120,240 |
| Investment income | 765,768 | 284,562 | (24,204) | 97,940 | 529 | 1,124,595 |
| Unrealized gain on investments | 427,566 | 411,708 | 126,279 | 51,067 | — | 1,016,620 |
| Other | 80,477 | — | — | — | — | 80,477 |
| | <u>39,992,820</u> | <u>2,029,437</u> | <u>102,075</u> | <u>2,269,247</u> | <u>529</u> | <u>44,394,108</u> |
| Expenses | | | | | | |
| Service delivery costs | | | | | | |
| Kids Help Phone (Schedule A) | 23,505,378 | — | — | — | — | 23,505,378 |
| Innovation and development (Schedule A) | — | 2,987,749 | — | — | — | 2,987,749 |
| Good2Talk (Schedule A) | 4,813,677 | — | — | — | — | 4,813,677 |
| CS Future Fund (Schedule A) | — | — | — | 2,269,247 | — | 2,269,247 |
| Direct fundraising (Schedule A) | 6,051,372 | — | — | — | — | 6,051,372 |
| General and administrative (Schedule A) | 4,716,142 | — | — | — | — | 4,716,142 |
| Amortization of capital assets | 498,328 | — | — | — | — | 498,328 |
| | <u>39,584,897</u> | <u>2,987,749</u> | <u>—</u> | <u>2,269,247</u> | <u>—</u> | <u>44,841,893</u> |
| Excess (deficiency) of revenue over expenses | <u>407,923</u> | <u>(958,312)</u> | <u>102,075</u> | <u>—</u> | <u>529</u> | <u>(447,785)</u> |

9 and 12

The accompanying notes and schedules are an integral part of the financial statements.

Kids Help Phone
Statement of changes in fund balances
Year ended December 31, 2024

| | Operating Fund | | | | Restricted Funds | | 2024 Total \$ | 2023 Total \$ |
|--|------------------|--|------------------|-------------------|------------------|--------------------|---------------------|---------------------|
| | General \$ | Invested in capital assets \$ | Reserve \$ | Innovation \$ | UTH \$ | CS Future \$ | | |
| Fund balances, beginning of year | 6,387,127 | 2,064,518 | 7,375,000 | 11,210,063 | 2,567,877 | 3,682,400 | 33,286,985 | 33,734,770 |
| Excess (deficiency) of revenue over expenses | 1,710,425 | (437,930) | — | 977,897 | (316,660) | — | 1,933,732 | (447,785) |
| Interfund transfers | — | — | — | — | — | — | — | — |
| Purchases of capital assets | (106,980) | 106,980 | — | — | — | — | — | — |
| Fund balances, end of year | 7,990,572 | 1,733,568 | 7,375,000 | 12,187,960 | 2,251,217 | 3,682,400 | 35,220,717 | 33,286,985 |

Notes

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The accompanying notes and schedules are an integral part of the financial statements.

Kids Help Phone

Statement of cash flows

Year ended December 31, 2024

| | 2024 | 2023 |
|---|--------------------|--------------|
| | \$ | \$ |
| Operating activities | | |
| Excess (deficiency) of revenues over expenses | 1,933,732 | (447,785) |
| Items not affecting cash | | |
| Amortization of capital assets | 437,930 | 498,328 |
| Loss on disposal of capital assets | — | 5,295 |
| Unrealized gain on investments | (1,648,964) | (1,016,620) |
| | 722,698 | (960,782) |
| Changes in non-cash working capital items | | |
| Accounts receivable | 2,032,359 | (1,531,514) |
| Prepaid expenses and other | (169,539) | 22,651 |
| Accounts payable and accrued liabilities | 741,045 | (1,085,685) |
| Deferred revenue | 6,375,750 | (868,379) |
| | 9,702,313 | (4,423,709) |
| Investing activities | | |
| Proceeds from sale of short-term investments | — | 6,365,370 |
| Purchases of short-term investments | (54,947) | (1,401,648) |
| Proceeds from sale of restricted investments | 8,620,567 | 10,729,999 |
| Purchases of restricted investments | (8,561,111) | (16,467,586) |
| Proceeds of long-term investments | — | 21,000 |
| Purchases of long-term investments | (1,005,386) | (178,897) |
| Purchases of capital assets | (106,980) | (220,494) |
| | (1,107,857) | (1,152,256) |
| Net increase (decrease) in cash | 8,594,456 | (5,575,965) |
| Cash, beginning of year | 15,386,478 | 20,962,443 |
| Cash, end of year | 23,980,934 | 15,386,478 |
| Comprised of | | |
| Restricted cash | 2,227,514 | 2,979,433 |
| Unrestricted cash | 21,753,420 | 12,407,045 |
| | 23,980,934 | 15,386,478 |

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

1. Description of the organization

Kids Help Phone (the "Organization") was incorporated under the Canada Corporations Act and continued under the *Canada Not-for-Profit Corporations Act* on October 1, 2013.

The mandate of the Organization is to provide anonymous and confidential professional counselling, volunteer-led confidential text-based support, referrals and information in English and French for young people in Canada.

The Organization is a registered charity under the *Income Tax Act (Canada)* and, as such, is not subject to income tax provided certain disbursement requirements are met.

2. Significant accounting policies

Financial statement presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations published by Chartered Professional Accountants of Canada ("CPA Canada"), using the restricted fund method of reporting restricted contributions.

Revenue recognition

General grant revenue is recorded in the year to which it relates if collection is reasonably assured. General donations revenue is recorded when received. Revenue relating to special events or programs which have not yet occurred is recorded as deferred revenue and recognized as revenue in the year the events occur or program expenses are incurred. Government grants are recognized as revenue in the period to which the revenue relates and as the related expenses are incurred. Investment income is recorded when earned.

Contributed goods and services

Donors contribute gifts-in-kind for use in special fundraising events, which are recognized at their fair market value when such value can be reasonably estimated. Donated capital assets are recorded at fair value when fair value can be reasonably estimated. Donated materials and services are recorded at fair value when fair value can be reasonably estimated and when the materials and services are normally purchased by the Organization and would be paid for if not donated. Received gifts-in-kind are recognized as revenue and expenses when received.

Financial instruments

Financial instruments included on the statement of financial position are measured either at fair value or amortized cost based on the characteristics of the instrument and the Organization's accounting policy choices. All financial instruments reported on the statement of financial position are classified as follows:

| Asset/liability | Category |
|--|----------------|
| Cash | Fair value |
| Short-term investments | Fair value |
| Accounts receivable | Amortized cost |
| Restricted cash and investments | Fair value |
| Long-term investments | Fair value |
| Accounts payable and accrued liabilities | Amortized cost |

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost or fair value as described in the above table. Changes in fair value are recognized in the statement of revenue and expenses.

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the statement of revenue and expenses.

Transaction costs are expensed as they are incurred.

Fair value

The fair value of equities is determined based on bid prices. The fair value of short-term investments approximates their cost due to the short-term maturity of these instruments.

Pledges

Pledges received are recorded as revenue in the financial statements if the amounts can be reasonably estimated and collection is reasonably assured.

Capital assets

Office furniture and equipment and computers are capitalized on acquisition and are amortized on the straight-line basis over their average useful lives, which has been estimated at three years for computers and ten years for office furniture and equipment. Leasehold improvements are amortized over the remaining lease term.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Amounts requiring estimates and assumptions include investments measured at fair value, certain accrued liabilities, deferred revenue and amortization of capital assets.

Allocation of expenses

The Organization allocates the cost of salaries and employee benefits, technology, rent, general and office, marketing, insurance, professional fees, and gateway expenses based on the percentage of time assigned to each program.

3. Funds

Fund accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors. For financial reporting purposes, the accounts have been classified into the following funds:

Operating Fund

The general portion of the Organization's Operating Fund (the "Operating Fund") records the day-to-day operations of the Organization.

The Invested in the capital assets portion of the Operating Fund records the cost of capital assets acquired less accumulated amortization and the unamortized portion of deferred capital contributions.

Restricted Funds

Restricted Funds include both externally restricted funds raised that are designated toward specific programs and special projects and internally restricted funds and transfers from unrestricted fund balances.

Reserve Fund

The Reserve Fund represents funds internally restricted by the Organization's Board of Directors to offset potential operating shortfalls of the Organization, or for special projects. The interest earned on this fund is recorded in the general portion of the Operating Fund.

Innovation Fund

The Innovation Fund represents funds restricted for innovation through donor agreements and unrestricted gifts intended for the area of greatest need. The fund is to be used for continual innovation.

Unlock and Thrive Horizons ("UTH") Fund

The UTH Fund has been internally restricted by the Organization's Board of Directors to ensure sustainability today and in the future by offsetting short-term funding shortfalls.

Clinical Services ("CS") Future Fund

The CS Future Fund consists of funds internally restricted by the Organization's Board of Directors that are dedicated to the ongoing evolution and enrichment of the user experience, as well as the Organization's clinical services, service innovation and health and e-mental health promotion.

Kyra Field Memorial Fund

The Kyra Field Memorial Fund recorded donations made in memory of Kyra Field, and related interest income. The fund was to be used for the development and training of professional counsellors.

During 2023, the Field Family requested the Kyra Field Memorial Fund be closed and the funds transferred to the Operating Fund.

4. Investments

(a) *Short-term investments are comprised of the following:*

| | Fair value \$ | Range of interest rates % | 2024 Range of due dates |
|--|---------------------|---------------------------------|--|
| Guaranteed investment certificates certificates | 8,000 | 4.33 | June 2025 February 2025 - October 2025 |
| Fixed-income securities | 46,947 | 1.65 - 5.20 | October 2025 |
| | 54,947 | — | — |

The fixed-income securities were comprised of corporate and government bonds from Canadian entities, and their cost was \$54,259.

There are no short-term investments as at December 31 2023.

(b) *Restricted cash and investments are comprised of the following:*

| | Fair value \$ | Range of interest rates % | 2024 Range of due dates |
|---------------------------------------|---------------------|---------------------------------|---|
| Reserve Fund | | | |
| Restricted cash | — | n.a. | n.a. |
| Guaranteed investment certificates | 104,035 | 4.40-5.25 | May 2026 - August 2026 February 2025 - December 2057 |
| Fixed-income securities | 3,731,275 | 0.50-6.03 | December 2057 |
| Canadian equities | 1,773,740 | n.a. | n.a. |
| U.S. and global equities | 1,765,950 | n.a. | n.a. |
| | 7,375,000 | | |
| Innovation Fund | | | |
| Restricted cash | 1,606,552 | n.a. | n.a. |
| Guaranteed investment certificates | 611,596 | 1.65-5.25 | May 2025 - August 2026 February 2025 - December 2057 |
| Fixed-income securities | 5,684,297 | 0.50-6.03 | December 2057 |
| Canadian equities | 2,275,766 | n.a. | n.a. |
| U.S. and global equities | 2,009,749 | n.a. | n.a. |
| | 12,187,960 | | |
| Carried forward | 19,562,960 | | |

4. Investments (continued)

(b) *Restricted cash and investments are comprised of the following: (continued)*

| | Fair value \$ | Range of interest rates % | 2024 Range of due dates |
|---------------------------------------|---------------------|---------------------------------|--|
| Balance brought forward | 19,562,960 | | |
| UTH Fund | | | |
| Restricted cash | — | n.a. | n.a. |
| Guaranteed investment certificates | 66,552 | 4.4-5.25 | May 2026 - August 2026 |
| Fixed-income securities | 1,487,456 | 0.50-6.03 | February 2025 - December 2057 |
| Canadian equities | 444,407 | n.a. | n.a. |
| U.S. and global equities | 252,802 | n.a. | n.a. |
| | 2,251,217 | | |
| CS Future Fund | | | |
| Restricted cash | 620,962 | n.a. | n.a. |
| Guaranteed investment certificates | 274,000 | 4.40-5.25 | May 2026 - August 2026 |
| Fixed-income securities | 2,676,528 | 1.25-5.68 | February 2025 - November 2035 |
| Canadian equities | 110,910 | n.a. | n.a. |
| | 3,682,400 | | |
| | 25,496,577 | | |

4. Investments (continued)

(b) *Restricted cash and investments are comprised of the following: (continued)*

| | Fair value \$ | Range of interest rates % | 2023 Range of due dates |
|------------------------------------|---------------------|---------------------------------|---|
| Reserve Fund | | | |
| Restricted cash | 452,789 | n.a. | n.a. |
| Guaranteed investment certificates | 335,000 | 2.49 - 5.25 | May 2024 - October 2024 June 2024 - |
| Fixed-income securities | 3,308,373 | 1.25 - 6.04 | April 2051 |
| Canadian equities | 1,707,336 | n.a. | n.a. |
| U.S. and global equities | 1,571,502 | n.a. | n.a. |
| | <u>7,375,000</u> | | |
| Innovation Fund | | | |
| Restricted cash | 1,253,359 | n.a. | n.a. |
| Guaranteed investment certificates | 1,173,663 | 1.65 - 5.25 | March 2024 - May 2025 June 2025 - |
| Fixed-income securities | 4,849,242 | 1.50 - 6.34 | December 2048 |
| Canadian equities | 2,062,128 | n.a. | n.a. |
| U.S. and global equities | 1,871,671 | n.a. | n.a. |
| | <u>11,210,063</u> | | |
| UTH Fund | | | |
| Restricted cash | 372,100 | n.a. | n.a. |
| Guaranteed investment certificates | 168,000 | 4.50 | August 2024 June 2025 - |
| Fixed-income securities | 1,367,056 | 1.25 - 5.68 | December 2048 |
| Canadian equities | 421,202 | n.a. | n.a. |
| U.S. and global equities | 239,519 | n.a. | n.a. |
| | <u>2,567,877</u> | | |
| CS Future Fund | | | |
| Restricted cash | 901,185 | n.a. | n.a. |
| Guaranteed investment certificates | 973,000 | 2.57 - 5.25 | May 2024 - October 2024 February 2025 - |
| Fixed-income securities | 1,713,388 | 1.25 - 5.69 | May 2035 |
| Canadian equities | 94,827 | n.a. | n.a. |
| | <u>3,682,400</u> | | |
| | <u>24,835,340</u> | | |

4. Investments (continued)

(b) *Restricted cash and investments are comprised of the following: (continued)*

Investments with due dates beyond 12 months from the year-end are presented as short-term investments in the Statement of financial position to reflect the Organization's investment policy.

The fixed-income securities are comprised of corporate bonds, mortgage-backed securities, government T-bills and government bonds from Canadian entities.

The cost of the above investments is \$21,185,615 (\$21,278,879 in 2023).

(c) *Long-term investments are comprised of the following:*

| | Fair value \$ | Range of interest rates % | 2024 Range of due dates |
|------------------------------------|---------------------|---------------------------------|---------------------------------|
| Guaranteed investment certificates | 32,411 | 4.33-5.25 | May 2026 - February 2028 |
| Fixed-income securities | 761,872 | 0.50-6.03 | January 2026 - December 2057 |
| Canadian equities | 638,424 | n.a. | n.a. |
| U.S. and global equities | 218,207 | n.a. | n.a. |
| | 1,650,914 | — | — |

| | Fair value \$ | Range of interest rates % | 2023 Range of due dates |
|------------------------------------|---------------------|---------------------------------|-------------------------------|
| Guaranteed investment certificates | 44,850 | n.a. | n.a. |
| Fixed-income securities | 138,126 | 0.50 - 4.68 | June 2025 - September 2033 |
| Canadian equities | 286,200 | n.a. | n.a. |
| | 469,176 | — | — |

The fixed-income securities are comprised of corporate bonds, mortgage-backed securities and government bonds from Canadian entities.

The cost of the above investments is \$1,441,790 (\$401,907 in 2023).

Kids Help Phone
Notes to the financial statements
December 31, 2024

5. Capital assets

| | Cost | Accumulated amortization | 2024 Net book value | 2023 Net book value |
|--------------------------------|------------------|-------------------------------------|------------------------------------|---------------------------|
| | \$ | \$ | \$ | \$ |
| Office furniture and equipment | 430,327 | (168,529) | 261,798 | 299,369 |
| Computers | 1,825,942 | (1,658,512) | 167,430 | 252,866 |
| Leasehold improvements | 1,909,098 | (604,758) | 1,304,340 | 1,512,283 |
| | 4,165,367 | (2,431,799) | 1,733,568 | 2,064,518 |

During 2023, capital assets with a cost of \$84,515 and accumulated amortization of \$79,220 were disposed. The resulting loss on disposal of \$5,295 is included as general and administrative expense in the statement of revenue and expenses.

There is no disposal of capital assets in 2024.

6. Deferred revenue

| | 2024 | 2023 |
|---|---------------------|--------------|
| | \$ | \$ |
| Balance, beginning of year | 5,596,107 | 6,464,486 |
| Donations and grants received for special events and programs | 28,727,586 | 17,845,549 |
| Recognized in revenue during the year | (22,351,836) | (18,713,928) |
| Balance, end of year | 11,971,857 | 5,596,107 |

Deferred revenue is comprised of amounts relating to the following:

| | 2024 | 2023 |
|--------------|-------------------|-----------|
| | \$ | \$ |
| Foundations | 6,559,345 | 2,195,802 |
| Corporations | 1,719,951 | 1,043,296 |
| Government | 1,620,867 | 2,214,042 |
| Bequest | 1,476,306 | — |
| Events | 301,384 | 5,000 |
| Individuals | 294,004 | 137,967 |
| | 11,971,857 | 5,596,107 |

7. Contingencies and guarantees

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee. The Organization's primary guarantees are as follows:

- (a) The Organization has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements, the Organization agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) An indemnity has been provided to all directors and/or officers of the Organization for various items including, but not limited, all costs to settle suits or actions due to their involvement with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of the Organization. The maximum amount of any potential future payment cannot be reasonably estimated.
- (c) In the normal course of business, the Organization has entered into agreements that include indemnities in favour of third parties, such as confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Organization to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

8. Lease commitments

The Organization is committed to the following annual lease payments for office space which expire in 2030:

| | \$ |
|------------|------------------|
| 2025 | 1,149,406 |
| 2026 | 1,064,971 |
| 2027 | 901,651 |
| 2028 | 886,230 |
| 2029 | 929,839 |
| Thereafter | 697,380 |
| | <u>5,629,477</u> |

9. Related party transactions

In the normal course of business, from time to time, the Organization enters into transactions with entities which are related to the Organization by virtue of their representation on the Board of Directors. Such transactions are for the purchase of goods and services often lower than fair market value or donated. These goods and services are recorded in the financial statements at cost or at fair market value, if determinable for contributed services. The Organization has a policy which governs transactions with volunteers and staff and conflicts of interest. These transactions were in compliance with the policy. During the year, the Organization paid/accrued for the following services from related parties:

| | 2024 | 2023 |
|--|----------------|-----------|
| | \$ | \$ |
| Telecommunication services from Bell Canada | 337,524 | 649,355 |
| Banking services from BMO Financial Group | 47,364 | 34,978 |
| Coffee machines from Nestle | 18,221 | — |
| Legal services from Osler, Hoslin & Harcourt LLP | 5,722 | 52,029 |
| | 408,831 | 736,362 |

In addition, during the year, the Organization also recognized \$59,721 (\$79,721 in 2023) of contributed legal services from Osler, Hoskin & Harcourt LLP.

Kids Help Phone
Notes to the financial statements
December 31, 2024

10. Fund balances

Fund balances include the following:

| | General \$ | Invested in capital assets \$ | Reserve \$ | Innovation \$ | UTH \$ | CS Future \$ | 2024 Total \$ |
|-----------------------|------------------|--|------------------|-------------------|------------------|--------------------|---------------------|
| Unrestricted | 7,990,572 | — | — | — | — | — | 7,990,572 |
| Internally restricted | — | 1,733,568 | 7,375,000 | 11,030,616 | 2,251,217 | 3,682,400 | 26,072,801 |
| Externally restricted | — | — | — | 1,157,344 | — | — | 1,157,344 |
| | 7,990,572 | 1,733,568 | 7,375,000 | 12,187,960 | 2,251,217 | 3,682,400 | 35,220,717 |

| | General \$ | Invested in capital assets \$ | Reserve \$ | Innovation \$ | UTH \$ | CS Future \$ | 2023 Total \$ |
|-----------------------|------------------|--|------------------|-------------------|------------------|--------------------|---------------------|
| Unrestricted | 6,387,127 | — | — | — | — | — | 6,387,127 |
| Internally restricted | — | 2,064,518 | 7,375,000 | 9,887,053 | 2,567,877 | 3,682,400 | 25,576,848 |
| Externally restricted | — | — | — | 1,323,010 | — | — | 1,323,010 |
| | 6,387,127 | 2,064,518 | 7,375,000 | 11,210,063 | 2,567,877 | 3,682,400 | 33,286,985 |

11. Credit facilities

The Organization has an operating line of credit to a maximum of \$100,000. This credit facility bears interest at Prime plus 1.25% and, as at December 31, 2024 and 2023, there was \$nil in borrowings under this credit facility.

12. Allocation of expenses

The amount of expenses that has been allocated to the various programs is as shown on Schedule A – Schedule of expenses.

13. Financial risk management

Interest rate risk

The Organization is exposed to interest rate risk in its fixed-income securities investments. The Organization does not use any hedging instruments to manage this risk.

Market risk

The Organization is exposed to market risk as a result of its investments in equity securities and fixed-income securities. Fluctuations in the market expose the Organization to a risk of loss. The Organization manages this risk through policies and controls to monitor concentration levels maintaining a diversified portfolio of securities.

Currency risk

The Organization is exposed to currency risk on its non-Canadian securities such as U.S. and global equities. The Organization manages this risk through maintaining a diversified portfolio of securities.

Credit rate risk

The Organization's credit risk is primarily attributable to its fixed-income securities investments and accounts receivables. The Organization manages this risk through purchasing fixed-income securities from reputable and creditworthy parties and proactive collection policies.

There has been no change to the risk exposures from 2023.

14. Government remittances

Included in accounts payable and accrued liabilities is an amount of \$77,523 (\$79,399 in 2023) representing amounts due to the government relating to payroll and commodity taxes remittances.

15. Interfund transfers

There were no interfund transfers in 2024.

The following interfund transfers occurred during 2023:

| | Innovation | General | Reserve | CS Future | 2023 Kyra Field Memorial |
|--|------------------|----------------|----------|-----------|--------------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Innovation Fund to General Fund | (700,000) | 700,000 | — | — | — |
| Kyra Field Memorial Fund to General Fund | — | 33,680 | — | — | (33,680) |
| | <u>(700,000)</u> | <u>733,680</u> | <u>—</u> | <u>—</u> | <u>(33,680)</u> |

Interfund transfers are comprised of the following:

- (i) The Board of Directors approved the transfer of \$700,000 from the Innovation Fund to the General Fund.
- (ii) The Kyra Field Memorial Fund was closed during 2023 and therefore \$33,680 representing the balance of the Fund as at December 31, 2023, were transferred to the Operating Fund.

16. Kids Help Phone Foundation

Kids Help Phone Foundation (the "Foundation") was incorporated under the Canada Not-for-Profit Corporations Act on July 17, 2024. The mandate of the Foundation is to fundraise and steward donors on behalf of the Organization. The Foundation received registered charity status under the Income Tax Act (Canada) with the Canada Revenue Agency on May 14, 2025.

The Foundation is wholly owned by the Organization and therefore exercises control over the Foundation. In accordance with Canadian accounting standards for not-for-profit organizations published by CPA Canada, the Organization has elected not to consolidate the Foundation and instead provide the disclosure set out in CPA Canada Section 4450, *Reporting controlled and related entities by not-for-profit organizations*.

The Foundation did not have any operations during the year.

Kids Help Phone
Schedule A – Schedule of expenses
Year ended December 31, 2024

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Kids Help Phone service delivery | | |
| Salaries and employee benefits | 16,562,535 | 13,748,076 |
| Gateway | 220,858 | 355,936 |
| Technology | 1,653,299 | 1,361,721 |
| Youth marketing | 6,076,442 | 5,010,221 |
| Rent | 517,571 | 442,855 |
| General and office | 997,887 | 625,824 |
| Professional fees and insurance | 1,459,977 | 1,960,745 |
| | 27,488,569 | 23,505,378 |
| Kids Help Phone innovation and development | | |
| Salaries and employee benefits | 824,937 | 1,642,113 |
| Professional fees | 1,058,348 | 1,103,365 |
| Insurance | — | 16,156 |
| Rent | 60,604 | 44,483 |
| Technology | 311,421 | 152,799 |
| General and office | 69,679 | 28,833 |
| | 2,324,989 | 2,987,749 |
| Good2Talk service delivery | | |
| Salaries and employee benefits | 3,508,530 | 3,275,064 |
| Marketing | 673,253 | 442,533 |
| Partnership service agreement | 905,331 | 636,484 |
| General and office | 68,929 | 120,929 |
| Rent | 94,363 | 133,107 |
| Professional fees and insurance | 58,529 | 50,050 |
| Technology | 103,035 | 98,914 |
| Gateway | 2,635 | 56,596 |
| | 5,414,605 | 4,813,677 |
| CS Future Fund service delivery | | |
| Salaries and employee benefits | 361,849 | 1,878,613 |
| Technology | 21,690 | 103,760 |
| General and office | 4,025 | 65,692 |
| Professional fees and insurance | 6,781 | 85,266 |
| Rent | 36,512 | 135,916 |
| | 430,857 | 2,269,247 |
| Direct fundraising | | |
| Salaries and employee benefits | 2,495,043 | 2,166,889 |
| Events | 1,305,306 | 1,379,221 |
| General and office | 131,800 | 363,879 |
| Rent | 94,418 | 134,823 |
| Fundraising campaigns | 1,303,368 | 1,511,452 |
| Technology | 212,060 | 172,035 |
| Marketing | 244,750 | — |
| Gateway | 41,303 | 17,421 |
| Travel | 23,491 | 44,191 |
| Professional fees and insurance | 307,045 | 239,027 |
| National Campaign fundraising | 20,741 | 22,434 |
| | 6,179,325 | 6,051,372 |
| General and administrative - Operating Fund | | |
| Salaries and employee benefits | 2,490,163 | 2,551,994 |
| Professional fees and insurance | 601,304 | 707,964 |
| Marketing | — | 503,037 |
| Gateway | 11,950 | 27,144 |
| Bank charges | 133,688 | 148,966 |
| General and office | 712,212 | 296,940 |
| Rent | 151,219 | 162,600 |
| Technology | 472,715 | 317,497 |
| | 4,573,251 | 4,716,142 |
| General and administrative - UTH Fund | | |
| Salaries and employee benefits | 338,938 | — |
| Professional fees | 213,887 | — |
| | 552,825 | — |