

Consolidated financial statements of

Kids Help Phone

December 31, 2013

Kids Help Phone

December 31, 2013

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Independent Auditor's Report

To the Members of
Kids Help Phone

We have audited the accompanying consolidated financial statements of Kids Help Phone, which comprise the consolidated balance sheet as at December 31, 2013, the consolidated statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, Kids Help Phone derives the majority of its revenues from the general public in the form of revenue from donations, sponsorship, special events and promotions, 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 Kids Help Phone. Therefore, we were not able to determine whether any adjustments might be necessary to donations, sponsorships, special events and promotions, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2013 and December 31, 2012, current assets as at December 31, 2013 and December 31, 2012, and net assets as at December 31, and January 1, for both years. Our audit opinion on the consolidated financial statements for the year ended December 31, 2012 was modified accordingly, because of the possible effects of this scope limitation.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Kids Help Phone as at December 31, 2013, 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.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
May 27, 2014

Kids Help Phone

Consolidated statement of revenue and expenses
year ended December 31, 2013

	2013			2012		
	Operating Fund	Restricted Funds	Total	Operating Fund	Restricted Funds	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Events	5,838,855	-	5,838,855	6,239,193	126,697	6,365,890
General donations and grants	4,930,503	248	4,930,751	3,147,578	15,146	3,162,724
Government grants	3,562,233	-	3,562,233	1,206,915	-	1,206,915
Corporate promotions	120,083	-	120,083	16,809	-	16,809
Program sponsorship	175,400	-	175,400	270,000	-	270,000
Investment income	65,441	520	65,961	45,849	4,133	49,982
Other	90,580	-	90,580	44,337	-	44,337
	14,783,095	768	14,783,863	10,970,681	145,976	11,116,657
Expenses						
Service delivery costs						
Kids Help Phone - Schedule A	5,222,229	-	5,222,229	5,704,461	-	5,704,461
Volunteer Engagement - Schedule A	30,560	-	30,560	79,384	-	79,384
The Jack Project - Schedule A	-	-	-	272,637	-	272,637
Good2Talk - Schedule A	2,356,664	-	2,356,664	69,550	-	69,550
Direct fundraising - Schedule A	3,984,055	-	3,984,055	3,190,889	29,123	3,220,012
General and administrative - Schedule A	1,531,712	33	1,531,745	1,166,930	73	1,167,003
Donor development - Schedule A	290,018	-	290,018	200,411	-	200,411
Amortization of capital assets	120,016	-	120,016	111,300	-	111,300
Interest on obligation under capital leases	1,722	-	1,722	4,389	-	4,389
Transfer to Queen's University for the Jack Project	-	-	-	-	75,175	75,175
	13,536,976	33	13,537,009	10,799,951	104,371	10,904,322
Excess of revenue over expenses	1,246,119	735	1,246,854	170,730	41,605	212,335

The accompanying notes to the financial statements are an integral part of this consolidated financial statement.

Kids Help Phone

Consolidated statement of changes in fund balances
year ended December 31, 2013

	2013					2012	
	Operating Funds		Internally Board Restricted Funds			Externally Restricted Funds	
	General	Capital assets	Reserve	Futures Campaign	Jack Windeler Memorial	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Accumulated excess of revenue over expenses, beginning of year	1,816,013	362,863	2,000,006	9,814	181,061	55,832	4,425,589
Excess of revenue over expenses	1,350,969	(104,850)	-	-	-	735	1,246,854
Interfund transfers	(312,914)	-	500,000	-	(181,061)	(6,025)	-
Net investment in capital assets	(28,502)	28,502	-	-	-	-	-
Capital lease obligation	(19,887)	19,887	-	-	-	-	-
Fund balances, end of year	2,805,679	306,402	2,500,006	9,814	-	50,542	4,425,589

The accompanying notes to the financial statements are an integral part of this consolidated financial statement.


Kids Help Phone

Consolidated balance sheet as at December 31, 2013

	2013	2012
	\$	\$
Assets		
Current assets		
Cash	1,250,494	1,750,212
Short-term investments (Note 4a)	5,034,050	1,005,750
Accounts receivable	181,628	238,134
Prepaid expenses and other	260,401	201,542
	6,726,573	3,195,638
Restricted cash and investments (Note 4b)		
Kyra Field Memorial Fund	50,543	55,832
Reserve Fund	2,571,133	2,040,222
Jack Windeler Memorial Fund	-	181,061
Futures Campaign Fund	9,814	9,814
	2,631,490	2,286,929
Capital assets (Note 5)		
	390,072	481,586
	9,748,135	5,964,153
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 16)	816,796	715,419
Deferred revenue (Note 6)	3,175,226	704,422
Obligation under capital leases - current (Note 7)	22,007	18,695
	4,014,029	1,438,536
Deferred capital contribution (Note 8)		
	46,516	61,682
Obligation under capital leases (Note 7)	15,147	38,346
	4,075,692	1,538,564
Fund balances (Note 3)		
Operating Fund		
General	2,805,679	1,816,013
Invested in capital assets	306,402	362,863
Reserve Fund	2,500,006	2,000,006
Jack Windeler Memorial Fund	-	181,061
Futures Campaign Fund	9,814	9,814
Externally Restricted Funds	50,542	55,832
	5,672,443	4,425,589
	9,748,135	5,964,153

On behalf of the Board

 Chair of the Board

 Treasurer

The accompanying notes to the financial statements are an integral part of this consolidated financial statement.

Kids Help Phone

Consolidated statement of cash flows year ended December 31, 2013

	2013	2012
	\$	\$
Operating activities		
Excess of revenues over expenses	1,246,854	212,335
Items not affecting cash		
Amortization of capital assets	120,016	111,300
Loss on disposal of capital assets	-	-
Amortization of deferred capital contributions	(15,166)	(14,342)
Gain on restricted investments	(30,972)	(19,570)
	1,320,732	289,723
Changes in non-cash working capital items		
Accounts receivable	56,506	(30,513)
Prepaid expenses and other	(58,859)	(28,219)
Accounts payable and accrued liabilities	101,377	4,463
Deferred revenue	2,470,804	(87,663)
	3,890,560	147,791
Investing activities		
Increase in short-term investments - net	(4,028,300)	(1,005,750)
Purchase of capital assets	(28,502)	(164,796)
Decrease in restricted investments - net	(313,589)	257,794
	(4,370,391)	(912,752)
Financing activities		
Capital grants received	-	20,935
Payment under capital lease obligations	(19,887)	(19,681)
	(19,887)	1,254
Net increase (decrease) in cash	(499,718)	(763,707)
Cash, beginning of year	1,750,212	2,513,919
Cash, end of year	1,250,494	1,750,212
Supplemental cash flows information		
Cash interest paid	4,792	4,880

The accompanying notes to the financial statements are an integral part of this consolidated financial statement.

Kids Help Phone

Notes to the consolidated financial statements

December 31, 2013

1. Description of the organization

The Organization is comprised of Kids Help Phone ("KHP") and Kids Help Foundation ("KHF"). All of the directors of Kids Help Foundation are also directors of Kids Help Phone.

The mandate of Kids Help Phone is to provide anonymous and confidential professional counseling, referrals and information through technologically-based communications media for children and youth in Canada.

The mandate of Kids Help Foundation, a registered charitable organization, is to improve the health and welfare of children and their families in Canada.

Kids Help Phone and Kids Help Foundation are classified as registered charities under the Income Tax Act and, as such, are not subject to income tax provided certain disbursement requirements are met.

2. Significant accounting policies

Financial statement presentation

These financial statements are presented on a consolidated basis and include the accounts of Kids Help Phone and Kids Help Foundation. These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations published by the CPA Canada, using the restricted fund method of reporting restricted contributions.

Revenue recognition

Corporate and sponsorship revenue is recorded in the year to which it relates if the receipt is reasonably assured. 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 year in which 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 property and equipment 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 expense when received.

Deferred capital contributions

Funds received related to capital assets are recorded as deferred capital grants and amortized at the same rate as the related capital asset.

Financial instruments

Under Section 3856, all financial instruments are included on the consolidated balance sheet, and 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 consolidated balance sheet are measured as follows:

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

Kids Help Phone

Notes to the consolidated financial statements

December 31, 2013

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, with the exception of cash, short-term and restricted investments which are measured at fair value. Changes in fair value are recorded in the consolidated 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 consolidated statement of revenue and expenses.

Transaction costs are expensed as they are incurred.

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. Assets held under capital lease are amortized over the lease term. 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Amounts requiring significant estimates and assumptions included certain accrued liabilities and amortization of capital assets.

Allocation of expenses

KHP allocates the cost of salaries and benefits and rental expenses as follows:

- Salaries and benefits - allocated based on the percentage of time assigned to each program
- Rent - allocated based on the surface area occupied by each program

3. Funds

Operating Fund

The general portion of the Kids Help Phone Operating Fund (the "Operating Fund") records the day-to-day operations of the Organization.

The capital assets portion of the Operating Fund records the cost of capital assets acquired less accumulated amortization, the unamortized portion of deferred capital contributions and the outstanding obligations on capital leases.

Reserve Fund

The Reserve Fund represents funds restricted by the Board of Directors to offset potential operating shortfalls of the Organization. The interest earned on this fund is recorded in the General portion of the Operating Fund.

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Notes to the consolidated financial statements

December 31, 2013

3. Funds (continued)

Futures Campaign Fund

The Futures Campaign Fund represents a fund established by the Board of Directors to invest in building future capacity at Kids Help Phone.

Externally Restricted Funds

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

4. Investments

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

	2013		
	Fair value	Interest rate	Due date
	\$	%	
Guaranteed Investment Certificate	1,017,316	1.15	Redeemable
Guaranteed Investment Certificates	4,016,734	1.25	Redeemable
	5,034,050		
	2012		
	Fair value	Interest rate	Due date
	\$	%	
Guaranteed Investment Certificate	1,005,750	1.15	Redeemable

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Notes to the consolidated financial statements

December 31, 2013

4. Investments (continued)

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

	Fair value	Interest rate	2013 Due date
	\$	%	
Kyra Field Memorial Fund			
Cash	50,543	n.a.	n.a.
Reserve Fund			
Cash	1,231,682	n.a.	n.a.
BMO High Interest Savings	82,464	n.a.	Call
CPN Transalta Utilts Corp	123,932	n.a.	May 18, 2014
Equitable Trust GIC	31,000	2.15	October 9, 2014
AGF Trust Co GIC	11,315	3.26	February 25, 2015
CPN Sun Life Financial	97,275	n.a.	March 2, 2015
CPN Transalta Utilts Corp	76,852	n.a.	May 18, 2015
Manulife CDA	18,636	2.95	November 19, 2015
CPN Bell Canada Cars & Pars	189,598	n.a.	April 2, 2016
Ontario Savings Bond	305,721	1.25	June 21, 2017
Ontario Savings Bond	402,658	1.25	June 21, 2018
	2,571,133		
Futures Campaign Fund			
Cash	9,814	n.a.	n.a.
	2,631,490		

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Notes to the consolidated financial statements

December 31, 2013

4. Investments (continued)

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

	Fair value	Interest rate	Due date
	\$	%	
Jack Windeler Memorial Fund			
Cash	181,061	n.a.	n.a.
Kyra Field Memorial Fund			
Cash	55,832	n.a.	n.a.
Reserve Fund			
Cash	123,904	n.a.	n.a.
Covington Fund II Inc.	446	n.a.	n.a.
AAT High Savings	362,654	n.a.	n.a.
Canadian Pacific Railway	5,045	n.a.	n.a.
Manulife GIC	236,410	2.40	September 30, 2013
Manulife Coupon	147,524	n.a.	November 18, 2013
CPN Transalta	119,940	n.a.	May 18, 2014
CPN Transalta	87,997	n.a.	November 18, 2013
CPN Transalta	73,842	n.a.	November 18, 2015
CPN TransCda	129,582	n.a.	May 20, 2013
CPN Brookfield Asset	44,945	n.a.	June 2, 2014
CPN Sunlife	98,525	n.a.	September 2, 2013
CPN Sunlife	94,366	n.a.	March 2, 2015
CPN Bell CDA Cars	183,981	n.a.	April 2, 2016
AGF Trust Company	10,958	3.26	February 24, 2015
Manulife CDA	18,102	2.95	November 19, 2015
Ontario Saving Bond Step Up Coupon	302,001	1.25	June 21, 2017
	2,040,222		
Futures Campaign Fund			
Cash	9,814	n.a.	n.a.
	2,286,929		

5. Capital assets

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office furniture and equipment	364,845	198,631	166,214	197,186
Computers	372,991	316,576	56,415	76,815
Leasehold improvements	763,868	627,823	136,045	159,644
Assets held under capital leases	493,870	462,472	31,398	47,941
	1,995,574	1,605,502	390,072	481,586

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Notes to the consolidated financial statements

December 31, 2013

6. Deferred revenue

	2013	2012
	\$	\$
Balance, beginning of year	704,422	792,085
Donations received for special events and programs	8,087,372	1,929,016
Recognized in revenue	(5,616,568)	(2,016,679)
Balance, end of year	<u>3,175,226</u>	<u>704,422</u>

Deferred revenue is comprised of amounts relating to the following:

	2013	2012
	\$	\$
Government	1,644,346	226,400
Foundations	1,374,940	319,750
Corporations	100,000	135,000
Individuals	16,668	-
Events	39,272	23,272
	<u>3,175,226</u>	<u>704,422</u>

7. Obligation under capital leases

The future minimum lease payments required under the capital lease agreements are as follows:

	2013	2012
	\$	\$
Total minimum lease payments	40,129	62,309
Amount representing interest at rates varying between 8.5% and 12.5%	(2,975)	(5,268)
	<u>37,154</u>	<u>57,041</u>
Less: current portion	(22,007)	(18,695)
Long-term portion	<u>15,147</u>	<u>38,346</u>

Interest expense related to these leases was \$1,722 (2012 - \$4,389).

Principal payments due in the next 3 years are as follows:

	\$
2014	18,647
2015	14,505
2016	4,002
	<u>37,154</u>

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Notes to the consolidated financial statements

December 31, 2013

8. Deferred capital contribution

	2013	2012
	\$	\$
Balance, beginning of year	61,682	55,089
Capital grants received	-	20,935
Amortization of deferred capital contributions	(15,166)	(14,342)
Balance, end of year	46,516	61,682

9. 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 trustee, 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 purchase and sale agreements, 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 balance sheet with respect to these agreements.

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Notes to the consolidated financial statements

December 31, 2013

10. Lease commitments

The Organization is committed to the following annual lease payments for office space in the years ending December 31:

	\$
2014	685,274
2015	576,629
2016	574,177
2017	569,407
2018	521,979
Beyond	881,657
	<hr/> 3,809,123

11. Related party transactions

The Organization acquires printing and creative services for several annual communication pieces with Boss Print + Creative, which is an organization owned by a related person to a former senior management member. The transactions between the Organization and Boss Print + Creative are within the Organization's normal course of operations and recorded in operating expenses at the exchange amount. In fiscal 2013, the Organization paid \$144,408 (2012 - \$161,756) and accrued \$70,945 (2012 - \$12,377) in relation to services from Boss Print + Creative. Occasionally, Boss Print + Creative also donates promotional goods and services to the Organization at no cost. These goods and services are appropriately recorded in the financial statements at cost or at fair market value, if appropriate and determinable.

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 goods and services and can often be less than fair market value and are often donated. These goods and services are appropriately recorded in the financial statements at cost or at fair market value, if appropriate and determinable. The Organization has a policy which governs transactions with volunteers and staff and conflicts of interest. These transactions were in compliance with the policy. In 2013 the Organization paid and accrued for the following services from related parties:

Telecommunication services from Bell Canada	\$369,416	(2012 - \$579,692)
Legal services from Osler, Hoskin & Harcourt	\$10,151	(2012 - \$56,227)
Banking services from BMO Bank of Montreal	\$7,605	(2012 - \$37,246)
Courier services from Purolator	\$34,052	(2012 - \$29,086)
Payroll services from Ceridian	\$13,654	(2012 - \$10,829)
News wire services from CNW Group	\$2,299	(2012 - \$10,769)

In 2013 the Organization also recognized \$252,296 (2012 - \$193,782) of contributed services in relation to legal services from Osler, Hoskin & Harcourt and \$28,500 (2012 - \$83,875) of contributed materials in relation to the donation of AirMiles from LoyaltyOne.

12. Externally restricted funds

The Organization manages externally restricted funds of \$50,542 (2012 - \$55,832) with conditions stipulated in donor agreements concerning the use of the funds and related income. The Organization has complied with the requirements of these restricted funds.

13. Credit facilities

The Organization has an operating line of credit to a maximum of \$100,000. This credit facility bears 4.25% interest and, as at December 31, 2013, there was \$Nil (2012 - \$Nil) in borrowings under this credit facility.

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Notes to the consolidated financial statements

December 31, 2013

14. Allocation of expenses

The amount of salaries, benefits and rent that has been allocated to the various programs is as shown on Schedule A - Consolidated schedule of expenses.

15. Fair values and risk management

The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity.

Short-term investments are recorded at cost plus accrued income, which approximates fair value.

Restricted investments other than cash are recorded at fair value which is the bid price as of December 31.

Interest rate risk

The Organization is exposed to interest rate risk on its investments. The Organization does not use any hedging instruments to manage this risk.

Credit rate risk

The Organization's credit risk is primarily attributable to its accounts receivables. The Organization manages this risk through proactive collection polices.

16. Government remittances

Included in accounts payable and accrued liabilities is an amount of \$30,367 (2012 - \$82,985) representing amounts due to the government relating to payroll and commodity taxes.

17. Interfund transfers

Interfund transfers for the year ended December 31, 2013 relate primarily to a Board approved transfer of \$500,000 (2012 - \$120,000) from the Operating Fund to Reserve Fund. In addition, as a part of the wind up of the Jack Windeler Memorial Fund, the board approved a transfer of \$181,061 (\$429,587) from the Jack Windeler Memorial Fund to the Operating Fund to support initiatives related to youth mental health and well-being which were completed in 2013.

18. Corresponding figures

Expenses totaling \$69,550 related to the Good2Talk program, which were previously included in Kids Help Phone- Service delivery costs (\$45,642), Direct fundraising (\$20,218) and General and administrative (\$3,690) in the Consolidated statement of revenue and expenses in 2012, have been re-classified to Good2Talk - Service delivery costs to conform with the current year's presentation.

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Schedule A - Consolidated schedule of expenses year ended December 31, 2013

	2013	2012
	\$	\$
Kids Help Phone Service Delivery		
Salaries and employee benefits	3,859,115	4,633,850
Kid's Website	121,452	102,530
Telecommunications	533,688	315,095
Youth marketing	244,397	62,400
Rent	182,622	242,451
General and office	168,930	151,303
Insurance	27,236	26,719
Professional fees	84,789	170,113
	5,222,229	5,704,461
Allocation of Kids Help Phone Service Delivery (by fund)		
Operating Fund	4,920,562	5,436,351
Futures Campaign Fund	301,667	268,110
	5,222,229	5,704,461
Volunteer Engagement Service Delivery		
Salaries and employee benefits	-	75,792
General and office	3,146	332
Training	26,557	3,206
Travel	857	54
	30,560	79,384
The Jack Project Service Outreach		
Salaries and employee benefits	-	183,092
Marketing	-	8,294
Office and general	-	4,863
Rent	-	7,188
Professional fees	-	2,577
Outreach workshops	-	17,360
Telecommunications	-	4,890
Evaluation	-	44,373
	-	272,637
Good2Talk Service Delivery		
Salaries and employee benefits	1,514,537	55,150
Marketing	202,461	-
Office and general	146,599	-
Rent	47,960	-
Professional fees	402,320	14,400
Telecommunications	42,787	-
	2,356,664	69,550
Direct fundraising		
Salaries and employee benefits	1,826,744	1,170,156
Events	1,042,558	1,077,009
General and office	284,495	257,173
Rent	278,839	265,338
Fundraising campaigns	279,794	218,955
Telecommunications	87,604	91,775
Donor marketing	34,741	42,667
Travel	50,056	23,686
Professional fees	80,692	60,452
Insurance	8,755	9,699
Corporate promotions and sponsorship	9,777	3,102
	3,984,055	3,220,012
Allocation of direct fundraising (by fund)		
Operating Fund	3,984,055	3,188,958
Futures Campaign Fund	-	1,931
Jack Windeler Memorial Fund	-	29,123
	3,984,055	3,220,012
General and administrative		
Salaries and employee benefits	1,129,091	886,703
Professional fees	194,040	124,258
Bank charges	46,324	37,246
General and office	74,558	43,081
Rent	71,443	56,090
Insurance	12,344	15,425
Telephone	3,945	4,200
	1,531,745	1,167,003
Donor development		
Salaries and employee benefits	154,042	142,925
Fundraising campaign	131,690	34,742
Donor marketing	4,048	22,358
Office and general	238	386
	290,018	200,411

The accompanying notes to the financial statements are an integral part of this consolidated financial statement.