
Financial statements of Kids Help Phone

December 31, 2020

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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, 2020, 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, 2020, 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 12, 2021

Kids Help Phone
Statement of financial position
As at December 31, 2020

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash		8,028,855	5,468,151
Short-term investments	4a	—	1,557,347
Accounts receivable		3,076,559	1,062,276
Prepaid expenses and other		296,030	152,172
		11,401,444	8,239,946
Restricted cash and investments			
Reserve Fund	4b	5,494,786	3,430,846
Innovation Fund		7,060,771	—
COVID-19 Emergency Fund		2,334,579	—
Wellness Together Canada (“WTC”) Future Fund		4,688,085	—
Kyra Field Memorial Fund		32,802	32,681
		19,611,023	3,463,527
Capital assets			
	5	375,817	330,903
		31,388,284	12,034,376
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15	1,810,097	1,320,713
Deferred revenue	6	4,640,003	3,161,561
		6,450,100	4,482,274
Deferred capital contributions			
	7	—	2,512
		6,450,100	4,484,786
Fund balances			
Operating Fund			
General	3 and 11	5,071,131	3,788,518
Invested in capital assets		375,817	328,391
Restricted Funds			
Reserve Fund		5,375,000	3,400,000
Innovation Fund		7,060,771	—
COVID-19 Emergency Fund		2,334,578	—
WTC Future Fund		4,688,085	—
Kyra Field Memorial Fund		32,802	32,681
		24,938,184	7,549,590
		31,388,284	12,034,376

The accompanying notes 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, 2020

	Operating Fund		Restricted Funds			2020 Total	Operating Fund	Restricted Fund	2019 Total
	General	Innovation	COVID-19 Emergency	WTC Future	Kyra Field Memorial		General	Kyra Field Memorial	
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$
									(Note 19)
Revenue									
Events	4,147,846	9,626	22,009	—	—	4,179,481	6,183,930	—	6,183,930
General donations and grants	6,981,484	1,823,266	4,444,324	—	—	13,249,074	6,482,362	1,518	6,483,880
Government grants									
Kids Help Phone programs	10,035,517	—	—	—	—	10,035,517	4,539,184	—	4,539,184
Good2Talk program	4,386,194	—	—	—	—	4,386,194	3,373,452	—	3,373,452
Other	—	511,529	—	8,300,000	—	8,811,529	—	—	—
Investment income	127,345	—	—	—	121	127,466	66,992	283	67,275
Other	167,956	—	—	—	—	167,956	82,274	—	82,274
	25,846,342	2,344,421	4,466,333	8,300,000	121	40,957,217	20,728,194	1,801	20,729,995
Expenses									
Service delivery costs – Kids Help Phone									
Kids Help Phone (Schedule A)	9,402,950	—	—	—	—	9,402,950	10,277,402	—	10,277,402
Innovation and development (Schedule A)	684,025	—	—	—	—	684,025	233,776	—	233,776
Service delivery costs – Good2Talk (Schedule A)	4,386,194	—	—	—	—	4,386,194	3,373,452	—	3,373,452
Direct fundraising (Schedule A)	3,475,398	—	—	—	—	3,475,398	4,585,920	—	4,585,920
General and administrative (Schedule A)	1,823,281	—	—	—	—	1,823,281	1,787,386	5	1,787,391
Amortization of capital assets	184,860	—	—	—	—	184,860	165,714	—	165,714
Service delivery costs – WTC Future Fund (Schedule A)	—	—	—	3,611,915	—	3,611,915	—	—	—
	19,956,708	—	—	3,611,915	—	23,568,623	20,423,650	5	20,423,655
Excess of revenue over expenses	5,889,634	2,344,421	4,466,333	4,688,085	121	17,388,594	304,544	1,796	306,340

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

Kids Help Phone

Statement of changes in fund balances

Year ended December 31, 2020

	Operating Fund				Restricted Funds			2020 Total \$	2019 Total \$
	General \$	Invested in capital assets \$	Reserve \$	Innovation \$	COVID-19 Emergency \$	WTC Future \$	Kyra Field Memorial \$		
Fund balances, beginning of year	3,788,518	328,391	3,400,000	—	—	—	32,681	7,549,590	7,243,250
Excess (deficiency) of revenue									
over expenses	6,155,728	(266,094)	—	2,344,421	4,466,333	4,688,085	121	17,388,594	306,340
Interfund transfer	(4,559,595)	—	1,975,000	4,716,350	(2,131,755)	—	—	—	—
Purchases of capital assets	(313,520)	313,520	—	—	—	—	—	—	—
Fund balances, end of year	5,071,131	375,817	5,375,000	7,060,771	2,334,578	4,688,085	32,802	24,938,184	7,549,590

Notes

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

Kids Help Phone

Statement of cash flows

Year ended December 31, 2020

	Notes	2020 \$	2019 \$
Operating activities			
Excess of revenues over expenses		17,388,594	306,340
Items not affecting cash			
Amortization of capital assets		184,860	165,714
Loss on disposal of capital assets		83,746	2,772
Amortization of deferred capital contributions		(2,512)	(4,248)
		17,654,688	470,578
Changes in non-cash working capital items			
Accounts receivable		(2,014,283)	1,019,927
Prepaid expenses and other		(143,858)	(21,675)
Accounts payable and accrued liabilities		489,384	254,857
Deferred revenue		1,478,442	2,114,043
		17,464,373	3,837,730
Investing activities			
Proceeds on sale (purchases) of short-term investments		1,557,347	(509,111)
Purchases of capital assets	18	(313,520)	(97,030)
(Increase) decrease in restricted cash and investments		(16,147,496)	171,858
		(14,903,669)	(434,283)
Net increase in cash		2,560,704	3,403,447
Cash, beginning of year		5,468,151	2,064,704
Cash, end of year		8,028,855	5,468,151

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 Canadian Not-for-Profit Corporations Act on October 1, 2013.

The mandate of Kids Help Phone 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.

Kids Help Phone is a registered charity under the Income Tax Act 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.

Deferred capital contributions

Contributions received related to the purchase of capital assets are recorded as deferred capital contributions and amortized at the same rate as the related capital asset.

Financial instruments

Under Section 3856 of the CPA Canada Handbook, all 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 consolidated 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
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, with the exception of cash, short-term investments and restricted cash and investments which are measured at fair value. Changes in fair value are recognized as investment income 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.

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 financial instruments measured at fair value, certain accrued liabilities, deferred capital contributions, deferred revenue and amortization of capital assets.

Allocation of expenses

Kids Help Phone allocates the cost of salaries and employee benefits, telecom and technology, rent, general and office, marketing, insurance, professional fees, and travel 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 Kids Help Phone 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 externally restricted funds raised that are designated toward specific Organization programs and special projects. Restricted funds may also include internally restricted funds and transfers from unrestricted fund balances.

Reserve Fund

The Reserve Fund represents funds internally restricted by the 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.

COVID-19 Emergency Fund

The COVID-19 Emergency Fund consists of funds received in response to the COVID-19 appeal. The fund has been internally restricted by the Board of Directors to ensure sustainability today and in the future by offsetting short-term funding shortfalls.

Wellness Together Canada ("WTC") Future Fund

The Organization is a member of a partnership established to develop, implement and deliver an online virtual network of psychosocial information services for all Canadians. The WTC Future Fund consists of funds 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 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:*

	Fair value \$	Interest rate %	2020 Due date
Guaranteed Investment Certificates	—		
	—		
	Fair value \$	Interest rate %	2019 Due date
Guaranteed Investment Certificates	501,678	Prime less 2.70	Redeemable
Guaranteed Investment Certificates	1,055,669	0.75	Redeemable
	<u>1,557,347</u>		

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

	Fair value \$	Interest rate %	2020 Due date
Reserve Fund			
Restricted cash	2,000,000	n.a.	n.a.
Bank of Montreal High Interest Savings	2,804,633	n.a.	n.a.
Royal Bank of Canada Guaranteed Investment Certificate	152,677	2.15	3-Mar-21
Covington equities	221	n.a.	n.a.
Royal Bank of Canada Guaranteed Investment Certificate	254,161	2.49	1-May-24
Bank of Montreal TRCO of Canada CIC Annual	254,084	2.57	13-May-24
Spin Master Corporation equities	29,010	n.a.	n.a.
	<u>5,494,786</u>		
Innovation Fund			
Restricted cash	7,060,771	n.a.	n.a.
COVID-19 Emergency Fund			
Restricted cash	2,334,579	n.a.	n.a.
WTC Future Fund			
Restricted cash	4,688,085	n.a.	n.a.
Kyra Field Memorial Fund			
Restricted cash	32,802	n.a.	n.a.
	<u>19,611,023</u>		

4. Investments (continued)

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

	Fair value \$	Interest rate %	2019 Due date
Reserve Fund			
Restricted cash	11,949	n/a	n/a
Bank of Montreal High Interest Savings	843,635	n/a	n/a
Bank of Montreal Step Up Deposit Notes Ext 2023	243,971	2.25	16-Mar-20
Bank of Montreal Step Up Deposit Notes Ext 2024	296,943	2.00	22-Mar-20
Manulife Bank of Canada Guaranteed Investment Certificate	224,873	2.40	22-Jan-20
National Bank of Canada Guaranteed Investment Certificate	152,441	1.96	3-Mar-20
Bank of Montreal Fixed RTNTS	248,220	1.29	23-Jul-22
Royal Bank of Canada Guaranteed Investment Certificate	152,677	2.15	3-Mar-21
Covington equities	236	n/a	n/a
Royal Bank of Canada Guaranteed Investment Certificate	254,178	2.49	1-May-24
Bank of Montreal TRCO of Canada CIC Annual	255,649	2.57	13-May-24
Bank of Montreal Fixed Rate NTS	246,015	2.38	17-Jun-24
Bank of Montreal Step Up Deposit Notes Ext 2026	246,418	2.55	7-May-26
Bank of Montreal Guaranteed Investment Certificate annual	253,641	2.17	27-Jan-20
	<u>3,430,846</u>		
Kyra Field Memorial Fund			
Restricted cash	32,681	n/a	n/a
	<u>3,463,527</u>		

5. Capital assets

	Cost \$	Accumulated amortization \$	2020 Net book value \$	2019 Net book value \$
Office furniture and equipment	146,928	92,978	53,950	168,353
Computers	1,128,248	807,107	321,141	141,030
Leasehold improvements	610,681	609,955	726	21,520
	<u>1,885,857</u>	<u>1,510,040</u>	<u>375,817</u>	<u>330,903</u>

6. Deferred revenue

	2020	2019
	\$	\$
Balance, beginning of year	3,161,561	1,047,518
Donations and grants received for special events and programs	21,924,825	11,194,045
Recognized in revenue during the year	(20,446,383)	(9,080,002)
Balance, end of year	4,640,003	3,161,561

Deferred revenue is comprised of amounts relating to the following:

	2020	2019
	\$	\$
Government	4,055,284	1,882,777
Foundations	216,926	287,953
Corporations	139,372	770,416
Events	228,421	220,415
	4,640,003	3,161,561

7. Deferred capital contributions

	2020	2019
	\$	\$
Balance, beginning of year	2,512	6,760
Amortization of deferred capital contributions	(2,512)	(4,248)
Balance, end of year	—	2,512

8. 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.

8. Contingencies and guarantees (continued)

(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.

9. Lease commitments

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

	\$
2021	1,059,606
2022	1,020,121
2023	1,012,598
2024	1,031,689
2025	1,020,035
Beyond	4,330,759
	<u>9,474,808</u>

10. 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 goods and services and can often be less than fair market value and are often donated. These goods and services are recorded in the financial statements at cost or at fair market value, if 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. During the year, the Organization paid/accrued for the following services from related parties:

	2020 \$	2019 \$
Telecommunication services from Bell Canada	494,700	—
Project consulting from BGIS	136,104	—
Legal services from Osler, Hoslin & Harcourt LLP	56,767	—
Cisco Systems Canada	24,955	—
Facebook Instagram	10,436	2,045
Banking services from Bank of Montreal	—	39,890
	<u>722,961</u>	<u>41,935</u>

Kids Help Phone

Notes to the financial statements

December 31, 2020

10. Related party transactions (continued)

In addition, during the year, the Organization also recognized \$142,700 (\$180,001 in 2019) of contributed legal services from Osler, Hoskin & Harcourt.

11. Fund balances

Fund balances include the following:

	General	Invested in capital assets	Reserve	Innovation	COVID-19 Emergency	WTC Future	Kyra Field Memorial	2020 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted	5,071,131	—	—	—	—	—	—	5,071,131
Internally restricted	—	375,817	5,375,000	4,716,351	2,334,578	—	—	12,801,746
Externally restricted	—	—	—	2,344,420	—	4,688,085	32,802	7,065,307
	5,071,131	375,817	5,375,000	7,060,771	2,334,578	4,688,085	32,802	24,938,184

	General	Invested in capital assets	Reserve	Kyra Field Memorial	2019 Total
	\$	\$	\$	\$	\$
Unrestricted	3,788,518	—	—	—	3,788,518
Internally restricted	—	328,391	3,400,000	—	3,728,391
Externally restricted	—	—	—	32,681	32,681
	3,788,518	328,391	3,400,000	32,681	7,549,590

12. 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, 2020 and 2019, there was nil in borrowings under this credit facility.

13. Allocation of expenses

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

14. 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 market value 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.

15. Government remittances

Included in accounts payable and accrued liabilities is an amount of \$57,100 (\$18,634 in 2019) representing amounts due to the government relating to payroll and commodity taxes.

16. Interfund transfers

The following interfund transfers occurred during the year:

	2020			
	General	Reserve	Innovation	COVID-19 Emergency
	\$	\$	\$	\$
Innovation Fund to General Fund	511,529	—	(511,529)	—
Reserve Fund to Innovation Fund	—	(25,000)	25,000	—
General Fund to Innovation Fund	(3,071,124)	—	3,071,124	—
General Fund to Reserve Fund	(2,000,000)	2,000,000	—	—
COVID-19 Emergency Fund to Innovation Fund	—	—	2,131,755	(2,131,755)
	(4,559,595)	1,975,000	4,716,350	(2,131,755)

16. Interfund transfers (continued)

Interfund transfers are comprised of the following:

- (i) The transfer of \$511,529 to the General Fund from the Innovation Fund in accordance with donor directives and agreements.
- (ii) The Board of Directors approved transfer of \$25,000 to the Innovation Fund from the Reserve Fund.
- (iii) The transfer of \$3,071,124 to the Innovation Fund from the General Fund to internally restrict unrestricted contributions.
- (iv) The Board of Directors approved transfer of \$2,000,000 to the Reserve Fund from the General Fund.
- (v) The transfer of \$2,131,755 to the Innovation Fund from the COVID-19 Emergency Fund to internally restrict unrestricted contributions.

	General	Reserve	2019 Externally Restricted
	\$	\$	\$
Externally Restricted Fund to General Fund	4,500	—	(4,500)
Reserve Fund to General Fund	200,000	(200,000)	—
	<u>204,500</u>	<u>(200,000)</u>	<u>(4,500)</u>

Interfund transfers are comprised of the following:

- (i) The external donor approved the above \$4,500 to support counsellor training activities.
- (ii) The Board of Directors approved a transfer of \$200,000 to the General Fund from the Reserve Fund.

17. Significant event – COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel corona virus (“COVID-19”) as a pandemic, which resulted in a series of public health and emergency measures to be put into place to combat the spread of the virus. As a consequence of the pandemic, the Organization is experiencing increased demand for its services, incurred additional expenses and has received various grants in order to mitigate the short-term financial impacts. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the severity and length of these developments will have on the financial results and condition of the Organization in future periods.

18. COVID-19 related costs

During the year, the Organization incurred \$5,289,832 (nil in 2019) in expenses and \$313,520 (nil in 2019) in capital costs directly attributed to the Organization’s response to the COVID-19 pandemic.

19. Comparative amounts

Certain of the prior year’s comparative figures have been reclassified to conform to the current year’s presentation.

Kids Help Phone
Schedule A – Schedule of expenses
Year ended December 31, 2020

	2020	2019
	\$	\$
Kids Help Phone service delivery		
Salaries and employee benefits	7,647,972	7,529,567
Kid's website	97,925	172,940
Telecom and Technology	217,307	604,544
Youth marketing	428,669	751,635
Rent	283,118	420,901
General and office	298,109	451,251
Insurance	27,381	47,504
Professional fees	402,469	299,060
	9,402,950	10,277,402
Kids Help Phone innovation and development		
Salaries and employee benefits	415,671	233,776
Professional fees	248,579	—
Rent	9,200	—
Telecom and Technology	10,575	—
	684,025	233,776
Good2Talk service delivery		
Salaries and employee benefits	2,806,381	2,335,720
Marketing	466,643	225,069
Partnership service agreement	503,176	467,457
General and office	119,278	119,060
Rent	257,606	149,516
Professional fees	40,016	11,198
Telecom and Technology	193,094	65,432
	4,386,194	3,373,452
Direct fundraising		
Salaries and employee benefits	1,753,653	1,970,738
Events	510,151	1,073,574
General and office	92,866	167,152
Rent	149,554	180,092
Fundraising campaigns	572,292	432,252
Prospect development	174,297	174,346
Telecom and Technology	154,267	240,066
Marketing	205	263,807
Travel	19,860	42,161
Professional fees	39,722	11,350
Insurance	7,917	10,344
Corporate promotions and sponsorship	614	20,038
	3,475,398	4,585,920
General and administrative		
Salaries and employee benefits	1,203,407	1,264,568
Professional fees	227,104	156,313
Bank charges	85,801	66,489
General and office	219,837	175,916
Rent	62,111	76,926
Insurance	7,325	9,442
Telecom and Technology	17,696	37,732
	1,823,281	1,787,386
WTC Future Fund service delivery		
Salaries and employee benefits	1,914,520	—
Telecom and Technology	357,818	—
General and office	220,116	—
Gateway	166,602	—
Marketing	390,969	—
Professional fees	408,546	—
Rent	138,003	—
Insurance	15,341	—
	3,611,915	—