
Financial statements of Kids Help Phone

December 31, 2025

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of revenue and expenses	4-5
Statement of changes in fund balances	6
Statement of cash flows	7
Notes to the financial statements	8-20
Schedule A – Schedule of expenses	21

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, 2025, 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, 2025, 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 13, 2026

Kids Help Phone
Statement of financial position
As at December 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash		20,499,561	21,753,420
Short-term investments	4(a)	94,769	54,947
Accounts receivable		2,663,415	2,502,036
Prepaid expenses and other		478,861	266,451
		23,736,606	24,576,854
Restricted cash and investments			
Reserve Fund	4(b)	1,000,000	7,375,000
Innovation Fund		3,736,498	12,187,960
Unlock and Thrive Horizons ("UTH") Fund		—	2,251,217
Clinical Services ("CS") Future Fund		—	3,682,400
		4,736,498	25,496,577
Long-term investments			
Capital assets	4(c) 5	1,211,585 1,569,357	1,650,914 1,733,568
		31,254,046	53,457,913
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15 and 16	4,547,202	6,265,339
Deferred revenue	6	12,255,839	11,971,857
		16,803,041	18,237,196
Commitments			
	8		
Fund balances			
	3 and 11		
Operating Fund			
General		8,145,150	7,990,572
Invested in capital assets		1,569,357	1,733,568
Restricted Funds			
Reserve Fund		1,000,000	7,375,000
Innovation Fund		3,736,498	12,187,960
UTH Fund		—	2,251,217
CS Future Fund		—	3,682,400
		14,451,005	35,220,717
		31,254,046	53,457,913

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, 2025

	Notes	Operating Fund	Restricted Funds			2025 Total	
		General	Reserve	Innovation	UTH		CS Future
		\$	\$	\$	\$	\$	
Revenue							
Events		6,592,358	—	1,440	—	—	6,593,798
General donations and grants	9	16,385,081	—	2,946,044	—	—	19,331,125
Government grants							
Kids Help Phone programs		13,394,064	—	—	—	—	13,394,064
Good2Talk program		5,149,167	—	—	—	—	5,149,167
Other		—	—	—	—	—	—
Investment income	10	1,148,149	—	784,980	191,065	130,397	2,254,591
Other		231,961	—	—	—	—	231,961
		42,900,780	—	3,732,464	191,065	130,397	46,954,706
Expenses							
Service delivery costs	9 and 13						
Kids Help Phone (Schedule A)		26,286,196	—	—	70,773	—	26,356,969
Innovation and development (Schedule A)		—	—	2,781,023	—	—	2,781,023
Good2Talk (Schedule A)		5,149,167	—	—	—	—	5,149,167
Direct fundraising (Schedule A)		6,529,719	—	—	89,723	—	6,619,442
General and administrative (Schedule A)		4,934,696	—	—	1,888,589	—	6,823,285
Amortization of capital assets		403,832	—	—	—	—	403,832
		43,303,610	—	2,781,023	2,049,085	—	48,133,718
(Deficiency) excess of revenue over expenses before the under noted		(402,830)	—	951,441	(1,858,020)	130,397	(1,179,012)
Gift to Kids Help Phone Foundation	16						
Cash		—	3,158,735	183,240	—	945,391	4,287,366
In-Kind		—	3,216,265	9,219,663	—	2,867,406	15,303,334
Deficiency of revenue over expenses		(402,830)	(6,375,000)	(8,451,462)	(1,858,020)	(3,682,400)	(20,769,712)

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, 2024

	Notes	Operating Fund	Restricted Funds			2024 Total \$
		General \$	Innovation \$	UTH \$	CS Future \$	
						(Note 19)
Revenue						
Events		5,892,370	1,614	—	—	5,893,984
General donations and grants	9	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		1,457,564	1,169,598	236,165	213,558	3,076,885
Other		123,038	—	—	—	123,038
		<u>45,366,175</u>	<u>3,302,886</u>	<u>236,165</u>	<u>430,857</u>	<u>49,336,083</u>
Expenses						
Service delivery costs	9 and 13					
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
		<u>44,093,680</u>	<u>2,324,989</u>	<u>552,825</u>	<u>430,857</u>	<u>47,402,351</u>
Excess (deficiency) of revenue over expenses		<u>1,272,495</u>	<u>977,897</u>	<u>(316,660)</u>	<u>—</u>	<u>1,933,732</u>

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, 2025

	Operating Fund		Restricted Funds				2025 Total \$	2024 Total \$
	General \$	Invested in capital assets \$	Reserve \$	Innovation \$	UTH \$	CS Future \$		
Fund balances, beginning 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
(Deficiency) excess of revenue over expenses	1,002	(403,832)	(6,375,000)	(8,451,462)	(1,858,020)	(3,682,400)	(20,769,712)	1,933,732
Interfund transfers	393,197	—	—	—	(393,197)	—	—	—
Purchases of capital assets	(239,621)	239,621	—	—	—	—	—	—
Fund balances, end of year	8,145,150	1,569,357	1,000,000	3,736,498	—	—	14,451,005	35,220,717

Notes

17

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

Kids Help Phone

Statement of cash flows

Year ended December 31, 2025

	Notes	2025 \$	2024 \$
Operating activities			
(Deficiency) excess of revenues over expenses	18	(20,769,712)	1,933,732
Items not affecting cash			
Amortization of capital assets		403,832	437,930
Gain on sale of investments	10	(937,861)	(185,943)
Change in unrealized gain on investments	10	(273,601)	(1,648,964)
Gift to Kids Help Phone Foundation, in-kind	16	15,303,334	—
		(6,274,008)	536,755
Changes in non-cash working capital items			
Accounts receivable		(161,379)	2,032,359
Prepaid expenses and other		(212,410)	(169,539)
Accounts payable and accrued liabilities		(1,718,137)	741,045
Deferred revenue		283,982	6,375,750
		(8,081,952)	9,516,370
Investing activities			
Purchases of short-term investments		(94,769)	(54,947)
Proceeds from sale of restricted investments	18	17,956,815	8,620,567
Purchases of restricted investments		(10,790,338)	(8,375,168)
Purchases of long-term investments		(509,438)	(1,005,386)
Purchases of capital assets		(239,621)	(106,980)
		6,322,649	(921,914)
Net (decrease) increase in cash		(1,759,303)	8,594,456
Cash, beginning of year		23,980,934	15,386,478
Cash, end of year		22,221,631	23,980,934
Comprised of			
Restricted cash		1,722,070	2,227,514
Unrestricted cash		20,499,561	21,753,420
		22,221,631	23,980,934

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

Kids Help Phone

Notes to the financial statements

December 31, 2025

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.

Kids Help Phone Foundation (the "Foundation") was incorporated under the *Canada Not-for-Profit Corporations Act* on July 17, 2024, and started operations on January 1, 2025. During the year, the Organization gifted to the Foundation cash of \$4,287,366 and investments with a fair value of \$15,303,334. These financial statements only include the results of the Organization and not the Foundation (see Note 16).

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:

<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
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. During the year, the Board approved the UTH Fund be closed and the funds transferred to the General Fund.

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.

4. Investments

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

	Fair value \$	Range of interest rates %	2025 Range of due dates
Guaranteed investment certificates certificates	29,434	4.40 - 5.25	May 2026 - August 2026
Fixed-income securities	65,335	2.40 - 4.34	January 2026 - August 2026
	94,769		
	Fair value \$	Range of interest rates %	2024 Range of due dates
Guaranteed investment certificates certificates	8,000	4.33	June 2025
Fixed-income securities	46,947	1.65 - 5.20	February 2025 - October 2025
	54,947		

The fixed-income securities were comprised of corporate and government bonds from Canadian entities, and their cost was \$93,606 (\$54,259).

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

	Fair value \$	Range of interest rates %	2025 Range of due dates
Reserve Fund			
Long-term			
Fixed-income securities	911,927	1.25 - 5.68	June 2027 - September 2037
Canadian equities	88,073	n.a.	n.a.
	1,000,000		
Innovation Fund			
Short-term			
Restricted cash	1,722,070	n.a.	n.a.
Guaranteed investment certificates	426,107	4.40 - 5.25	May 2026 - August 2026
Fixed-income securities	395,115	2.40 - 3.00	January 2026 - August 2026
	2,543,292		
Long-term			
Fixed-income securities	1,135,236	1.25 - 5.68	January 2027 - September 2037
Canadian equities	57,970	n.a.	n.a.
	1,193,206		
	3,736,498		
	4,736,498		

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
Reserve Fund			
Restricted cash	—	n.a.	n.a.
Guaranteed investment certificates	104,035	4.40-5.25	May 2026 - August 2026
Fixed-income securities	3,731,275	0.50-6.03	February 2025 - December 2057
Canadian equities	1,773,740	n.a.	n.a.
U.S. and global equities	1,765,950	n.a.	n.a.
	<u>7,375,000</u>		
Innovation Fund			
Restricted cash	1,606,552	n.a.	n.a.
Guaranteed investment certificates	611,596	1.65-5.25	May 2025 - August 2026
Fixed-income securities	5,684,297	0.50-6.03	February 2025 - December 2057
Canadian equities	2,275,766	n.a.	n.a.
U.S. and global equities	2,009,749	n.a.	n.a.
	<u>12,187,960</u>		
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.
	<u>2,251,217</u>		
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 2057
Canadian equities	110,910	n.a.	n.a.
	<u>3,682,400</u>		
	<u>25,496,577</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 \$2,928,703 (\$21,185,615 in 2024).

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

	Fair value \$	Range of interest rates %	2025 Range of due dates
Guaranteed investment certificates	5,000	4.35	February 2028
Fixed-income securities	711,784	0.50 - 5.68	January 2027 -
Canadian equities	494,801	n.a.	September 2037
	1,211,585		n.a.

	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		

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 \$1,024,872 (\$1,441,790 in 2024).

Kids Help Phone
Notes to the financial statements
December 31, 2025

5. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
	\$	\$	\$	\$
Office furniture and equipment	441,962	(206,681)	235,281	261,798
Computers	1,941,336	(1,685,020)	256,316	167,430
Leasehold improvements	1,909,098	(831,338)	1,077,760	1,304,340
	4,292,396	(2,723,039)	1,569,357	1,733,568

6. Deferred revenue

	2025	2024
	\$	\$
Balance, beginning of year	11,971,857	5,596,107
Donations and grants received for special events and programs	21,117,330	28,727,586
Recognized in revenue during the year	(20,833,348)	(22,351,836)
Balance, end of year	12,255,839	11,971,857

Deferred revenue is comprised of amounts relating to the following:

	2025	2024
	\$	\$
Foundations	6,460,444	6,559,345
Corporations	2,507,974	1,719,951
Bequest	1,565,015	1,476,306
Government	1,542,326	1,620,867
Individuals	123,080	294,004
Events	57,000	301,384
	12,255,839	11,971,857

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:

	\$
2026	1,205,277
2027	1,082,712
2028	1,069,669
2029	1,002,642
2030	691,786
	<u>5,052,086</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:

	2025	2024
	\$	\$
Telecommunication services from Bell Canada	337,524	337,524
Banking services from BMO Financial Group	39,751	47,364
Legal services from Osler, Hoslin & Harcourt LLP	15,533	5,722
Coffee machines from Nestle	—	18,221
	392,808	408,831

In addition, during the year, the Organization also recognized \$141,234 (\$59,721 in 2024) of contributed legal services from Osler, Hoskin & Harcourt LLP.

Related party balances and transactions with Kids Help Phone Foundation are disclosed in Note 16.

10. Investment income

	2025	2024
	\$	\$
Interest income, net of investment fees and expenses	864,403	1,058,067
Dividend income	178,726	183,911
Gain on sale of investments	937,861	185,943
Change in unrealized gain on investments	273,601	1,648,964
	2,254,591	3,076,885

Kids Help Phone
Notes to the financial statements
December 31, 2025

11. Fund balances

Fund balances include the following:

	General	Invested in capital assets	Reserve	Innovation	UTH	CS Future	2025 Total
	\$	\$	\$	\$	\$	\$	\$
Unrestricted	8,145,150	—	—	—	—	—	8,145,150
Internally restricted	—	1,569,357	1,000,000	2,412,692	—	—	4,982,049
Externally restricted	—	—	—	1,323,806	—	—	1,323,806
	8,145,150	1,569,357	1,000,000	3,736,498	—	—	14,451,005

	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

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, 2025 and 2024, 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. 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 the prior year.

15. Government remittances

Included in accounts payable and accrued liabilities is an amount of \$25,919 (\$108,566 in 2024) representing amounts due to the government relating to payroll and commodity taxes remittances.

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, and started operations on January 1, 2025.

The Foundation inspires generosity and raises funds across Canada to deliver on the Organization's promise to youth.

The Foundation received registered charity status under the Income Tax Act (Canada) with the Canada Revenue Agency on January 1, 2025 and, as such, is not subject to income tax provided certain disbursement requirements are met.

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 below the disclosure set out in CPA Canada Section 4450, *Reporting controlled and related entities by not-for-profit organizations*.

Financial summaries of the Foundation as at, and the for year ended, December 31, 2025 are as follows (2024 – the Foundation did not have any operations during 2024):

Financial position

	2025
	\$
Total assets	21,238,013
Total liabilities	26,951
Total fund balances	21,211,062
	21,238,013

Results of operations

	2025
	\$
Total revenue	21,236,969
Total expenses	25,907
Excess of revenue over expenses	21,211,062

Cash flows

	2025
	\$
Cash provided by operating activities	5,829,484
Cash provided by investing activities	255,109
Increase in cash	6,084,593

16. Kids Help Phone Foundation (continued)

Total fund balances include \$17,318,078 in internally restricted funds and \$1,324,978 in externally restricted funds.

During the year, Kids Help Phone gifted to the Foundation cash of \$4,287,366 and investments with a fair value of \$15,303,334.

As at December 31, 2025, the Organization has a receivable from the Foundation of \$1,044.

17. Interfund transfers

During the year, the Board of Directors approved the closure of the UTH Fund (see Note 3) and therefore \$393,197 representing the balance of the UTH Fund as at December 31, 2025, were transferred to the Operating Fund.

There were no interfund transfers in 2024.

18. Gift of cash to the Foundation

The gift of cash to the Foundation of \$4,287,366 (nil in 2024) was funded through the sale of investments. In the statement of cash flows, this amount is included in the \$17,956,815 proceeds from sale of restricted investments and the corresponding cash disbursement to the Foundation is included in the \$20,769,712 deficiency of revenue over expenses.

19. Comparative amounts

Certain of the prior year comparative amounts in the statement of revenue and expenses and Schedule A – Schedule of expenses, have been reclassified to conform to the current year's financial statement presentation.

The statement of cash flows has been amended accordingly.

Kids Help Phone
Schedule A – Schedule of expenses
Year ended December 31, 2025

	2025 \$	2024 \$
		(Note 19)
Kids Help Phone service delivery - Operating Fund		
Salaries and employee benefits	17,113,617	16,562,535
Technology	1,775,343	1,874,157
Youth marketing	4,956,123	6,076,442
Rent	587,378	517,571
General and office	781,833	1,084,312
Professional fees	1,071,902	1,373,552
	26,286,196	27,488,569
Kids Help Phone innovation and development - Innovation Fund		
Salaries and employee benefits	1,242,470	824,937
Professional fees	1,208,329	1,058,348
Professional fees-Innovation Product	59,661	—
Professional fees-Technology Innovation	129,202	—
Rent	38,806	60,604
Technology	49,321	311,421
Marketing	19,324	—
General and office	33,910	69,679
	2,781,023	2,324,989
Good2Talk service delivery - Operating Fund		
Salaries and employee benefits	3,487,541	3,508,530
Marketing	513,834	673,253
Partnership service agreement	791,500	905,331
General and office	76,625	82,306
Rent	136,158	94,363
Professional fees and insurance	33,395	45,153
Technology	110,114	105,669
	5,149,167	5,414,605
CS Future Fund service delivery - CS Future Fund		
Salaries and employee benefits	—	361,849
Technology	—	21,690
General and office	—	10,806
Rent	—	36,512
	—	430,857
Direct fundraising - Operating Fund		
Salaries and employee benefits	3,107,898	2,495,043
Events	1,413,138	1,305,306
General and office	190,885	145,466
Rent	110,738	94,418
Fundraising campaigns	1,109,709	1,548,118
Technology	271,763	253,363
Travel	35,789	23,490
Professional fees	204,186	293,381
National Campaign fundraising	85,613	20,740
	6,529,719	6,179,325
General and administrative - Operating Fund		
Salaries and employee benefits	2,718,653	2,490,163
Professional fees	511,300	587,186
Bank charges	196,136	133,690
General and office	571,101	726,328
Rent	113,170	151,221
Technology	824,336	484,663
	4,934,696	4,573,251
Service delivery, direct fundraising, and general and administrative - UTH Fund		
Salaries and employee benefits	965,159	338,938
Professional fees	1,083,926	213,887
	2,049,085	552,825