

360kids Support Services

Financial Statements

March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of 360kids Support Services;

Opinion

We have audited the financial statements of 360kids Support Services (the "Organization"), which comprise of the statements of financial position as at March 31, 2024, the statements of operations, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 23, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report To the member of 360kids Support Services (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
Chartered Professional Accountants of Ontario

Markham, Ontario
June 26, 2024

360kids Support Services

**Statement of Financial Position
As at March 31**

	Unrestricted Fund		Restricted Fund		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets						
Cash and cash equivalents	\$ 1,722,456	\$ 3,799,598	\$ 89,662	\$ 90,196	\$ 1,812,118	\$ 3,889,794
Accounts receivable	111,174	106,448	980,668	268,422	1,091,842	374,870
Prepaid and other asset (Note 2)	50,550	13,041	85,596	45,142	136,146	58,182
Investments (Note 3)	2,963,560	1,560,480	-	-	2,963,560	1,560,480
Due (to) from funds (Note 4)	(1,062,605)	(2,367,784)	1,062,605	2,367,784	-	-
	<u>3,785,135</u>	<u>3,111,782</u>	<u>2,218,531</u>	<u>2,771,544</u>	<u>6,003,666</u>	<u>5,883,326</u>
Capital assets (Note 5)	\$319	\$5,792	\$4,068,900	\$2,271,511	4,069,219	2,277,303
	<u>\$ 3,785,454</u>	<u>\$ 3,117,574</u>	<u>\$ 6,287,431</u>	<u>\$ 5,043,055</u>	<u>\$ 10,072,885</u>	<u>\$ 8,160,629</u>
Liabilities and Fund Balances						
Current Liabilities						
Accounts payable and accrued liabilities (Note 6)	\$ 587,334	\$ 510,980	\$ 23,420	\$ 121,889	\$ 610,754	\$ 632,869
Current portion of mortgage payable (Note 7)	-	-	-	20,131	-	20,131
	<u>587,334</u>	<u>510,980</u>	<u>23,420</u>	<u>142,020</u>	<u>610,754</u>	<u>653,000</u>
	<u>587,334</u>	<u>510,980</u>	<u>23,420</u>	<u>142,020</u>	<u>610,754</u>	<u>653,000</u>
Fund balances (Note 8,9)	3,198,120	2,606,594	6,264,011	4,901,035	9,462,131	7,507,629
	<u>\$ 3,785,454</u>	<u>\$ 3,117,574</u>	<u>\$ 6,287,431</u>	<u>\$ 5,043,055</u>	<u>\$ 10,072,885</u>	<u>\$ 8,160,629</u>

Commitments (Note 10)

On behalf of the Board

Director

Rhonda Leeson

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Rhonda Leeson

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Director

Neil Mahon

DocuSigned by:

Neil Mahon

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360kids Support Services

Statement of Operations and Changes in Fund Balances Year ended March 31

	Unrestricted Fund		Restricted Fund		Total	
	2024	2023	2024	2023	2024	2023
Revenue						
Grants and subsidies (Note 11)	\$ -	\$ -	\$ 10,662,677	\$ 8,348,573	\$ 10,662,677	\$ 8,348,573
Fundraising and donations (Note 12)	1,081,778	1,118,732	956,141	1,294,061	2,037,920	2,412,793
Investment income (loss)	253,907	(8,770)	-	-	253,907	(8,770)
Other income	14,526	13,701	181,293	174,306	195,819	188,007
	<u>1,350,211</u>	<u>1,123,663</u>	<u>11,800,111</u>	<u>9,816,940</u>	<u>13,150,322</u>	<u>10,940,603</u>
Expenditures						
Salary and employee benefits	340,277	428,930	7,483,737	6,305,552	7,824,014	6,734,483
Other program costs	132,923	34,378	1,374,917	1,335,280	1,507,840	1,369,658
Building occupancy costs	125,276	401,292	741,406	560,949	866,682	962,241
General and administration	154,735	142,167	689,517	686,279	844,253	828,446
Amortization of capital assets	5,475	5,799	147,414	58,226	152,889	64,026
Mortgage interest (Note 7)	-	-	144	981	144	981
	<u>758,686</u>	<u>1,012,566</u>	<u>10,437,135</u>	<u>8,947,267</u>	<u>11,195,822</u>	<u>9,959,834</u>
Excess of revenue over expenditures for the year	591,526	111,097	1,362,976	869,673	1,954,502	980,770
Fund balances, beginning of year	2,606,594	2,495,497	4,901,035	4,031,362	7,507,629	6,526,859
Fund balances, end of year	<u>\$ 3,198,120</u>	<u>\$ 2,606,594</u>	<u>\$ 6,264,011</u>	<u>\$ 4,901,035</u>	<u>\$ 9,462,131</u>	<u>\$ 7,507,629</u>

360kids Support Services

**Statement of Cash Flows
Year Ended March 31**

	Unrestricted Fund		Restricted Fund		Total	
	2024	2023	2024	2023	2024	2023
Cash flows from operating activities						
Excess of revenue over expenditures for the year	\$ 591,526	\$ 111,097	\$ 1,362,976	\$ 869,673	\$ 1,954,502	\$ 980,770
Items not affecting cash:						
Unrealized gain on investments	181,087	68,858	-	-	181,087	68,858
Amortization of capital assets	5,475	5,799	147,414	58,226	152,889	64,025
	<u>778,088</u>	<u>185,754</u>	<u>1,510,390</u>	<u>927,899</u>	<u>2,288,478</u>	<u>1,113,653</u>
Changes in non-cash working capital						
Accounts receivable	(4,727)	280	(712,246)	364,234	(716,973)	364,513
Prepaid expenses and other assets	(37,509)	(6,148)	(40,455)	(10,975)	(77,964)	(17,122)
Due(to) from funds	(1,305,179)	1,082,753	1,305,179	(1,082,753)	-	-
Accounts payable and accrued liabilities	76,354	(13,989)	(98,468)	64,118	(22,114)	50,129
	<u>(492,973)</u>	<u>1,248,650</u>	<u>1,964,400</u>	<u>262,523</u>	<u>1,471,427</u>	<u>1,511,173</u>
Cash flows from investing activities						
Purchase investments	(1,584,169)	(240,437)	-	-	(1,584,169)	(240,437)
Purchase capital assets	-	-	(1,944,803)	(229,123)	(1,944,803)	(229,123)
	<u>(1,584,169)</u>	<u>(240,437)</u>	<u>(1,944,803)</u>	<u>(229,123)</u>	<u>(3,528,972)</u>	<u>(469,560)</u>
Cash flows from financing activities						
Repayment of mortgage principal	-	-	(20,131)	(33,647)	(20,131)	(33,647)
Net increase in cash and cash equivalents	(2,077,141)	1,008,213	(534)	(247)	(2,077,676)	1,007,966
Cash and cash equivalents, beginning of year	3,799,598	2,791,385	90,196	90,443	3,889,794	2,881,828
Cash and cash equivalents, end of year	<u>\$ 1,722,456</u>	<u>\$ 3,799,598</u>	<u>\$ 89,662</u>	<u>\$ 90,196</u>	<u>\$ 1,812,118</u>	<u>\$ 3,889,794</u>

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Notes to Financial Statements

March 31, 2024

Organization

360kids Support Services (360kids) is a community-based organization that has been providing support services to at-risk and homeless youth in York Region for more than three decades. Our primary focus is providing aid and support to at-risk and homeless youth. 360kids is a one-stop agency where young people at-risk can access safe, supportive housing for the day, the night or as long as three years. We offer a full range of support services: clothing and food, personal support, outreach, counselling, life skills training, employment programs, education upgrading, and job searching, which are designed to help youth get back on their feet.

360kids is incorporated by letters patent under the Ontario Corporations Act as a corporation without share capital and is now governed by the Ontario Not-For-Profit Corporations Act. 360kids is registered as a charitable organization under the Income Tax Act and as such is exempt from income taxes. 360kids must meet certain requirements under the Income Tax Act (Canada). In the opinion of management these requirements have been met.

1. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, accordingly, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditures during the reported period. Primary components of these financial statements which include estimates are capital assets with respect to useful life and amortization. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

360kids initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

<u>Asset/Liability</u>	<u>Asset/Liability Measurement</u>
Cash and cash equivalents	Fair value
Accounts receivable and sundry	Amortized cost
Investments	Fair value
Due (to) from funds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Mortgage payable	Amortized cost

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Notes to Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists the asset shall be written down and the resulting impairment loss will be recognized in the statement of operations for the period.

360kids recognizes its transaction costs in net income in the period incurred.

Fund accounting

The Unrestricted fund accounts for 360kids' administrative activities. This fund reports unrestricted resources in excess of the operating requirements and restricted contributions for which no corresponding restricted fund is presented.

The Restricted fund reports the use of restricted resources as follows:

The Restricted Capital Assets fund reports the assets and liabilities, revenues and expenses related to the restricted program capital assets.

The Externally Restricted fund accounts for 360kids' program activities where the grantor or donor has specified restrictions as to the use of the funds. These programs include two residential homes for youth, sixteen transitional housing sites, a youth drop-in center, after school programming with a focus on healthy/active lifestyle and several employment programs for youth. Other agency initiatives include youth outreach, family and individual counselling, developing a regional youth strategy and providing support to survivors of human trafficking.

The Capital Reserve fund reports accumulated resources specifically designated by the grantor for the repair and replacement of certain capital assets.

Revenue recognition

360kids follows the restricted fund method of accounting for contributions.

Contributions, fundraising, and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income, comprised of interest, dividends and change in market value, is recognized as revenue of the unrestricted fund. Interest and dividends included in investment income are accrued when earned. Realized gains (losses) included in change in market value are recognized when realized. Unrealized gains (losses) included in change in market value are recognized at each year end date based on the unrealized market value increase or decrease of investments during the year.

Other income comprised of program rental income is recognized as revenue when earned and service is rendered.

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Notes to Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Unrestricted contributions are recognized as revenue in the Unrestricted fund.

Externally restricted contributions for which a corresponding fund is presented are recognized as revenue in the appropriate Restricted fund.

Externally restricted contributions for which no corresponding fund is presented are recognized in the Unrestricted fund in accordance with the deferral method.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, bank balances and money market funds.

Comprised of:

	2024	2023
Cash on hand and bank balances	\$ 1,735,846	\$ 3,863,152
Money market funds	76,272	26,642
	<u><u>\$ 1,812,118</u></u>	<u><u>\$ 3,889,794</u></u>

Capital assets

Capital assets are recorded at cost. Amortization is provided over their expected useful lives on a straight-line basis as follows:

Buildings	25 years
Office furniture and equipment	5 years
Residential furnishings and equipment	5 years
Vehicle	5 years
Computer equipment	4 years
Leasehold improvements	Term of lease

Donations in kind

Donated goods and services in kind are recorded as donations and expensed at fair value when an objective basis to measure their value is available and would have been ordinarily purchased.

Allocation of expenses

360kids segregates its Restricted fund into programs and allocates administrative expenses from the Unrestricted fund to the programs.

Administration costs are allocated to the restricted programs based on the contracts with the funders.

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2. Prepaid and other assets

Comprised of:

	2024	2023
Prepaid rent	\$ 36,961	\$ 45,142
Prepaid insurance	15,328	-
Vendor paid in advance	83,857	13,040
	<u><u>\$ 136,146</u></u>	<u><u>\$ 58,182</u></u>

3. Investments

Investments are comprised of investments in mutual funds, pooled funds, and exchange traded funds.

Comprised of:

	2024	2023
Canadian Fixed Income	\$ 348,960	\$ 317,408
International Fixed Income	503,202	403,708
Canadian Equities	246,558	225,665
US equities	197,975	198,319
International equities (incl. Global)	431,742	415,380
Guaranteed Investment Certificate	1,235,122	-
	<u><u>\$ 2,963,560</u></u>	<u><u>\$ 1,560,480</u></u>

Investment Income is comprised of:

Interest	\$ 11,076	\$ 29,905
Dividend	3,174	27,419
Unrealized change in market value	181,502	(68,858)
	<u><u>\$ 195,751</u></u>	<u><u>\$ (11,534)</u></u>

Investment management fees charged to expenses are \$17,627.53 (2023- \$21,099). Interest includes bank interest \$4,582 (2023 - \$5,409).

Guaranteed Investment Certificates is with RBC bank for 1 year at 5.2% interest which will mature on September 9, 2024

4. Due (to) from funds

Due (to) from funds represents current advances between funds with no fixed terms of repayment and bearing no interest.

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Notes to Financial Statements
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5. Capital assets

			2024
	Cost	Accumulated Amortization	Net Book Value
Restricted capital assets:			
Land	\$ 1,868,472	-	\$ 1,868,472
Buildings	2,338,455	(449,200)	1,889,255
Office furniture and equipment	143,937	(52,676)	91,262
Vehicle	85,575	(51,284)	34,291
Computer equipment	78,365	(78,365)	-
Leasehold improvements	314,618	(128,997)	185,620
	<u>\$ 4,829,421</u>	<u>\$ (760,521)</u>	<u>\$ 4,068,900</u>
Unrestricted capital assets:			
Office furniture and equipment	\$ 66,352	\$ (66,033)	\$ 319
Computer equipment	36,053	(36,053)	-
	<u>\$ 102,405</u>	<u>\$ (102,086)</u>	<u>\$ 319</u>

			2023
	Cost	Accumulated Amortization	Net Book Value
Restricted capital assets:			
Land	\$ 1,153,737	-	\$ 1,153,737
Buildings	1,382,776	(376,289)	1,006,487
Office furniture and equipment	41,782	(39,602)	2,179
Vehicle	85,575	(41,123)	44,451
Computer equipment	78,365	(78,365)	-
Leasehold improvements	142,385	(77,728)	64,657
	<u>\$ 2,884,618</u>	<u>\$ (613,107)</u>	<u>\$ 2,271,511</u>
Unrestricted capital assets:			
Office furniture and equipment	\$ 66,352	\$ (60,560)	\$ 5,792
Computer equipment	36,052	(36,052)	-
	<u>\$ 102,404</u>	<u>\$ (96,612)</u>	<u>\$ 5,792</u>

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Notes to Financial Statements
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6. Accounts payable and accrued liabilities

	2024	2023
Accounts payable	\$ 258,462	\$ 75,683
Accrued liabilities	294,275	426,293
Credit card payable	8,822	82,756
Payroll related liabilities	9,782	32,004
Due to client	24,303	8,917
Scholarship payable	14,424	7,191
Others	686	25
	<u><u>\$ 610,754</u></u>	<u><u>\$ 632,869</u></u>

7. Mortgage payable

The mortgage payable was held by the Royal Bank of Canada and is repayable in blended monthly payments of \$2,870. Interest was calculated at 2.89% per annum and the mortgage was due October 1, 2023. Mortgage payments were funded annually by a grant through The Ministry of Children, Community and Social Services (MCCSS). The mortgage was secured by properties owned by 360kids at 53 Hamilton Hall Drive, Markham and 65 Oak Lee Circle, Markham.

Mortgage interest for the year charged to building occupancy expense amounted to \$144 (2023 - \$981).

8. Fund balances

The Restricted funds consist of the following:

	2,024	2,023
Restricted Capital Assets fund net of mortgage	\$ 4,068,900	\$ 2,251,380
Externally Restricted funds	2,119,583	2,576,707
Capital Reserve fund	75,528	72,948
	<u><u>\$ 6,264,011</u></u>	<u><u>\$ 4,901,035</u></u>

Restricted Capital Assets fund net of mortgage

Restricted Capital Assets fund net of mortgage represents restricted program capital assets net of accumulated amortization and mortgage. The change in the fund balance is represented by capital assets purchased of \$1,952,228 (2023 - \$229,123) plus repayment of mortgage principal of \$20,131 (2023 - \$33,647) less amortization of capital assets of \$122,385 (2023- \$58,226).

9. Externally Restricted funds

Externally Restricted funds represent the accumulated excess of revenues and interfund transfers over expenditures that will be utilized at a future date.

The Externally Restricted funds consist of the following:

	2024	2023
Other agency initiatives	\$ 786,337	\$ 1,150,252
Youth Initiatives	390,045	964,537
Emergency housing	211,050	85,467
Preventative programs	126,254	-
Residential programs	605,897	376,451
	<u><u>\$ 2,119,583</u></u>	<u><u>\$ 2,576,707</u></u>

Capital Reserve fund

The Capital Reserve fund represents the balance of funds received from MCCSS for the repair and replacement of certain capital assets. During the year \$2,580 (2023- \$2,580) of funds were received.

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Notes to Financial Statements

March 31, 2024

10. Commitments

360kids has entered into agreements to lease premises and office equipment for various periods until June 2027. 360kids is committed to the following future minimum annual lease payments excluding HST.

Fiscal Year	
2025	\$ 200,548
2026	63,363
2027 and beyond	1,148
	<u>\$ 265,059</u>

11. Grants and Subsidies

Grants and subsidies include amounts from the following sources:

	2024	2023
Residential programs		
Municipality of York Region	\$ 2,620,002	\$ 2,007,891
United Way Greater Toronto	2,395,422	349,236
MCCSS	1,285,783	1,271,963
Toronto and York Region Children's Aid Society	540,730	513,773
Ontario Trillium Foundation	161,200	203,400
	<u>7,003,137</u>	<u>4,346,263</u>
Community		
Human Resources Development Canada	1,613,948	1,802,790
Municipality of York Region	1,023,035	1,206,197
MCCSS	519,175	459,556
United Way Greater Toronto	114,971	54,000
Ministry of The Solicitor General	132,750	121,043
Ontario Trillium Foundation	87,100	
Ministry of Advanced Education and Skills Development		69,363
Public Health of Canada	82,500	135,000
Agricourt Community	1,200	-
	<u>3,574,679</u>	<u>3,847,949</u>
Fundraising and Administration		
Miscellaneous programs		
United Way Greater Toronto	84,861	84,861
Trillium	-	69,500
	<u>84,861</u>	<u>154,361</u>
	<u>\$ 10,662,677</u>	<u>\$ 8,348,573</u>

360Kids relies on several significant grants to fund its programs as noted above. Many of these grants will be renewed for the year ended March 31, 2025.

12. Fundraising and donations

Fundraising and donation revenue includes unrestricted donations in kind of \$26,973 (2023- \$15,006), consisting of unrestricted contributed materials included in other program costs of \$21,393 (2023 - \$4,935) and unrestricted stock donation of \$5,581 (2023 - \$10,071).

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Notes to Financial Statements

March 31, 2024

13. Guarantees

In the normal course of business, 360kids enters into agreements that meet the definition of a guarantee. Indemnity has been provided to all directors and officers of 360kids for various items including, but not limited to, all costs to settle suits or actions due to involvement with 360kids, subject to certain restrictions.

Directors' and officers' liability insurance has been purchased 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 360kids.

There are no lawsuits or potential lawsuits or actions pending with respect to guarantees, therefore the maximum amount of any potential future payment cannot be reasonably determined.

14. Financial instruments

360kids financial instruments are exposed to a variety of financial risks: credit risk; liquidity risk and market risk. 360kids finance committee seeks to reduce these risks by establishing investment policies and procedures which include guidelines on allowable investment classes, asset allocation, asset diversification, credit quality, return benchmarks and risk tolerance. 360kids investment committee delegates investment management by employing experienced investment managers, whose investment policies are in line with 360kids own investment policy criteria. The investment managers are required to comply with these investment policies in order to reduce the above noted risks to 360kids investments.

The finance committee meets at least annually to review and assess the investment manager's compliance with the investment policies, review investment performance and investment strategies employed.

Credit risk

Credit risk is the risk that the issuer of a security will fail to discharge an obligation and cause the other party to incur a financial loss. 360kids principal financial instruments subject to credit risk are accounts receivable and sundry, and investments. The balance of accounts receivable and sundry on the statement of financial position is 360kids maximum exposure at that date. Four large funder comprises 88% of the receivables at year end. However, this risk is mitigated by the fact that the funder is a municipal government in which credit risk is very low. There is no provision for allowance for doubtful accounts this year or previous years. 360kids mitigates its exposure to credit risk with respect to its investments with its policy of investing primarily in securities which are government or investment grade.

Liquidity risk

Liquidity risk is the risk that 360kids will encounter difficulty in meeting obligations associated with financial liabilities. These risks are mitigated by the fact that 360kids holds a substantial portion of its portfolio in cash and cash equivalents sufficient to discharge its financial liabilities when they are due.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. 360kids is exposed to interest rate risk, currency risk and other price risk.

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March 31, 2024

14. Financial instruments continued

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 360kids holds investments in foreign currencies therefore they are exposed to currency risk. 360kids exposure to currency risk is limited to the international fixed income, US equities and international equities held, see Note 3.

Interest rate risk

Interest rate risk refers to the effect on the fair market value of 360kids' financial instruments due to fluctuations in interest rates. 360kids' primary exposure to interest rate risk is from short term fixed income securities and its mortgage payable. The risk with respect to investments is mitigated by their investment policies. The risk with respect to the mortgage payable is mitigated by the fact 360kids receives funding for the total of its mortgage payment including interest from MCCSS.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. 360kids' exposure to other price risk is limited to the investments on the statement of financial position.

Financial liabilities

At March 31, 2024, it is management's opinion that 360kids is not in default of the terms of any of its financial liabilities.

15. Allocation of administration costs

360kids allocates administrative costs to the programs according to the funding agreements. The following amounts relating to administrative costs are included in Restricted fund expenditures on the statement of operations:

	2024	2023
Administration costs		
Salaries and employees benefits	\$ 567,887	\$ 485,647
General and administration	318,402	149,569
	<u><u>\$ 886,289</u></u>	<u><u>\$ 635,216</u></u>
Administration cost allocated to		
Residential programs	\$ 601,469	\$ 344,219
Community programs	284,820	290,997
	<u><u>\$ 886,289</u></u>	<u><u>\$ 635,216</u></u>

16. Contingent liabilities

As at the year end, two legal claims have been commended against 360Kids. The effect on these financial statements is not yet determinable since the claims are still unsettled. Therefore, no amount has been accrued in these financial statements.

17. Comparative figures

Certain of the 2023 figures have been reclassified to conform with the current period's financial statement presentation.

360kids Support Services
Notes to Financial Statements
March 31, 2024

18. Restricted Operations Segmented According to the Contract with the Ministry of Children, Community and Social Services

	Child Welfare - Community and prevention Supports						Reintegration/R ehabilitation Services- Community Gang Prevention & Intervention E809	Anti-Human Trafficking Community Supports HOPE	Total MCCSS Service Contracts	Dedicated supportive housing a563	Total MCCSS	Other program funding	Total	
	Operating residential E750	Community capacity building E753	Youth Outreach Worker E755	Youth Outreach Worker (SA) E755	Youth in Transition Worker E752	Enhanced YOW E755	Subtotal							
Revenue														
Government subsidies	\$ 541,415	\$ 164,800	\$ 307,959	\$ 31,116	\$ 75,000	\$ 80,100	\$ 1,200,390	\$ 100,000	\$ 461,804	\$ 1,762,194	\$ 42,764	\$ 1,804,958	\$ 8,857,719	\$ 10,662,677
Other revenue	-	-	-	-	-	-	-	-	8,671	8,671	15,777	24,448	156,845	181,293
Fundraising and donations	8,180	13,575	-	-	-	-	21,755	-	140,952	162,707	15,514	178,221	777,920	956,141
	549,595	178,375	307,959	31,116	75,000	80,100	1,222,145	100,000	611,427	1,933,572	74,055	2,007,628	9,792,484	11,800,111
Expenditures														
Salaries	286,287	120,747	224,533	-	53,789	57,144	742,500	107,763	383,704	1,233,967	-	1,233,967	4,658,288	5,892,255
benefits	91,810	22,963	35,152	-	6,658	9,675	166,258	12,958	46,031	225,247	-	225,247	630,949	856,196
Travel & Communication	10,101	9,864	9,581	-	5,028	962	35,536	4,383	10,841	50,759	2,302	53,061	142,159	195,219
Staff training	15,435	-	-	-	-	-	15,435	273	-	15,708	-	15,708	96,009	111,717
program costs	73,732	1,083	1,233	31,116	809	532	108,505	903	58,174	167,582	2,038	169,619	1,127,159	1,296,778
Building accommodation	1,041	4,800	-	-	-	2,400	8,241	3,600	25,670	37,511	23,992	61,503	628,014	689,517
Office	6,553	2,438	6,461	-	1,217	1,377	18,045	2,438	31,070	51,553	4,604	56,158	305,447	361,605
Mortgage payment	-	-	-	-	-	-	-	-	-	-	20,275	20,275	-	20,275
Allocate central administrative expense (salaries)	64,636	16,480	30,999	-	7,500	8,010	127,624	13,176	56,887	197,688	15,377	213,065	673,224	886,289
Total Expenses	549,595	178,375	307,959	31,116	75,000	80,100	1,222,145	145,493	612,377	1,980,015	68,588	2,048,603	8,261,248	10,309,851
Excess (deficit) of revenue over expenditures	-	-	-	-	-	-	-	(45,493)	(949)	(46,442)	5,467	(40,975)	1,531,236	1,490,259
Add: Mortgage principal amount	-	-	-	-	-	-	-	-	-	-	20,131	20,131	-	20,131
Less: Amortization of capital assets	(12,950)	-	-	-	-	-	(12,950)	-	-	(12,950)	(3,171)	(16,121)	(131,293)	(147,414)
Excess (deficit) of revenue over expenditures for the year	\$ (12,950)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,950)	\$ (45,493)	\$ (949)	\$ (59,392)	\$ 22,427	\$ (36,967)	\$ 1,399,943	\$ 1,362,976