

360kids Support Services
Financial Statements
March 31, 2025



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, 2025, 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, 2025, 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.

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 25, 2025

360Kids Support Services

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

	Unrestricted Fund		Restricted Fund		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current Assets						
Cash and cash equivalents	\$ 2,058,187	\$ 1,722,456	\$ 88,627	\$ 89,662	\$ 2,146,814	\$ 1,812,118
Accounts receivable	137,375	111,174	871,070	980,668	1,008,445	1,091,842
Prepaid and other assets (Note 2)	39,247	50,550	109,302	85,596	148,549	136,146
Investments (Note 3)	3,126,905	2,963,560	-	-	3,126,905	2,963,560
Due (to) from funds (Note 4)	(1,560,374)	(1,062,605)	1,560,374	1,062,605	-	-
	<u>3,801,340</u>	<u>3,785,135</u>	<u>2,629,373</u>	<u>2,218,531</u>	<u>6,430,713</u>	<u>6,003,666</u>
Capital assets (Note 5)	9,553	319	5,659,938	4,068,900	5,669,491	4,069,219
	<u>\$ 3,810,894</u>	<u>\$ 3,785,454</u>	<u>\$ 8,289,311</u>	<u>\$ 6,287,431</u>	<u>\$ 12,100,204</u>	<u>\$ 10,072,885</u>
Liabilities and Fund Balances						
Current Liabilities						
Accounts Payable and accrued liabilities (Note 6)	\$ 129,840	\$ 587,334	\$ 876,181	\$ 23,420	\$ 1,006,020	\$ 610,754
	<u>129,840</u>	<u>587,335</u>	<u>876,181</u>	<u>23,421</u>	<u>1,006,020</u>	<u>610,754</u>
Fund balances (Note 8)	3,681,054	3,198,120	7,413,130	6,264,011	11,094,184	9,462,131
	<u>\$ 3,810,894</u>	<u>\$ 3,785,454</u>	<u>\$ 8,289,311</u>	<u>\$ 6,287,431</u>	<u>\$ 12,100,204</u>	<u>\$ 10,072,885</u>

Commitments (Note 10)

On behalf of the Board

Director

Signed by:
Rhonda Leeson
Rhonda Leeson
Board Chair

Director

DocuSigned by:
Kirk Merrett
Kirk Merrett
Board Treasurer

360Kids Support Services

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

	Unrestricted Fund		Restricted Fund		Total	
	2025	2024	2025	2024	2025	2024
Revenue						
Grants and subsidies (Note 11)	\$ -	\$ -	\$ 10,178,109	\$ 10,662,677	\$ 10,178,109	\$ 10,662,677
Fundraising and donations (Note 12)	1,476,394	1,081,778	852,826	956,141	2,329,220	2,037,920
Investment income	246,973	253,907	-	-	246,973	253,907
Other income	4,814	14,526	195,678	181,293	200,492	195,819
	<u>1,728,181</u>	<u>1,350,211</u>	<u>11,226,613</u>	<u>11,800,111</u>	<u>12,954,794</u>	<u>13,150,322</u>
Expenditures						
Salary and employee benefits	364,053	340,277	7,352,696	7,483,736	7,716,749	7,824,013
Other program costs	164,186	132,923	1,454,127	1,374,917	1,618,313	1,507,841
General and administration	539,236	125,277	400,344	741,406	939,580	866,683
Building occupancy costs	177,340	154,735	695,722	689,517	873,062	844,253
Depreciation of capital assets Note 5)	432	5,475	174,605	147,414	175,037	152,889
Mortgage interest (Note 7)	-	-	-	144	-	144
	<u>1,245,247</u>	<u>758,687</u>	<u>10,077,494</u>	<u>10,437,134</u>	<u>11,322,741</u>	<u>11,195,822</u>
Excess of revenue over expenditures for the year	482,934	591,526	1,149,119	1,362,976	1,632,053	1,954,502
Fund balances, beginning of year	3,198,120	2,606,594	6,264,011	4,901,035	9,462,131	7,507,629
Fund balances, end of year	<u>\$ 3,681,054</u>	<u>\$ 3,198,120</u>	<u>\$ 7,413,130</u>	<u>\$ 6,264,011</u>	<u>\$ 11,094,184</u>	<u>\$ 9,462,131</u>

360Kids Support Services

Statement of Cash Flows Year Ended March 31

	Unrestricted Fund		Restricted Fund		Total	
	2025	2024	2025	2024	2025	2024
Cash flows from operating activities						
Excess of revenue over expenditures for the year	\$ 482,934	\$ 591,526	\$ 1,149,119	\$ 1,362,976	\$ 1,632,053	\$ 1,954,502
Items not affecting cash:						
Unrealized gain on investments	118,616	181,087	-	-	118,616	181,087
Depreciation of capital assets (Note 5)	432	5,475	174,605	147,414	175,037	152,889
	<u>601,982</u>	<u>778,088</u>	<u>1,323,724</u>	<u>1,510,390</u>	<u>1,925,706</u>	<u>2,288,478</u>
Changes in non-cash working capital						
Accounts receivable	(26,200)	(4,727)	109,599	(712,246)	83,399	(716,973)
Prepaid expenses	11,303	(37,509)	(23,706)	(40,455)	(12,403)	(77,964)
Due(to) from funds	497,769	(1,305,179)	(497,769)	1,305,179	-	-
Accounts payable and accrued liabilities	(457,494)	76,354	852,762	(98,468)	395,267	(22,114)
	<u>627,360</u>	<u>(492,976)</u>	<u>1,764,609</u>	<u>1,964,400</u>	<u>2,391,969</u>	<u>1,471,427</u>
Cash flows from investing activities						
Purchase investments	(281,961)	(1,584,169)	-	-	(281,961)	(1,584,169)
Purchase capital assets	(9,666)	-	(1,765,644)	(1,944,803)	(1,775,310)	(1,944,803)
	<u>(291,629)</u>	<u>(1,584,169)</u>	<u>(1,765,644)</u>	<u>(1,944,803)</u>	<u>(2,057,272)</u>	<u>(3,528,972)</u>
Net increase (decrease) in cash and cash equivalents	335,731	(2,077,141)	(1,035)	(534)	334,697	(2,077,676)
Cash and cash equivalents, beginning of year	1,722,456	3,799,598	89,662	90,196	1,812,118	3,889,794
Cash and cash equivalents, end of year	<u>\$ 2,058,187</u>	<u>\$ 1,722,456</u>	<u>\$ 88,627</u>	<u>\$ 89,662</u>	<u>\$ 2,146,814</u>	<u>\$ 1,812,118</u>

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Notes to Financial Statements

March 31, 2025

Organization

360Kids Support Services (360°kids) 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. 360°kids 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.

360°kids 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. 360°kids is registered as a charitable organization under the Income Tax Act and as such is exempt from income taxes. 360°kids 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

360°kids 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

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Notes to Financial Statements

March 31, 2025

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.

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

Fund accounting

The Unrestricted fund accounts for 360°kids' 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 360°kids' program activities where the grantor or donor has specified restrictions as to the use of the funds. These programs include five owned properties providing youth housing, eight additional transitional housing sites, two Youth Hubs, after school programming, and several employment programs for youth. Other agency initiatives include youth outreach, family and individual counselling, youth engagement, leadership of a Regional Youth Strategy as well as housing and supports for 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

360°kids 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 (income from youth occupancy agreements) is recognized as revenue when earned and service is rendered.

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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:	2025	2024
Cash on hand and bank balances	\$2,025,448	\$1,735,846
Money market funds	121,366	76,272
	<u>\$ 2,146,814</u>	<u>\$ 1,812,118</u>

Capital assets

Capital assets are recorded at cost. Depreciation 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

360°kids 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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Notes to Financial Statements

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2. Prepaid and other assets

	2025	2024
Prepaid rent	\$ 30,596	\$ 36,961
Prepaid insurance	38,326	15,328
Vendor paid in advance	79,627	83,857
	<u>\$ 148,549</u>	<u>\$ 136,146</u>

3. Investments

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

Comprised of:

	2025	2024
Canadian Fixed Income	\$ 369,070	\$ 348,960
International Fixed Income	541,811	503,202
Canadian Equities	313,187	246,558
US equities	209,842	197,975
International equities (incl. Global)	467,685	431,742
Guaranteed Investment Certificate	1,225,310	1,235,121.82
	<u>\$ 3,126,905</u>	<u>\$ 2,963,560</u>

Investment Income is comprised of:

Interest	\$ 43,844	\$ 11,076
Dividend	25,184	3,174
Unrealized change in market value	118,616	181,502
	<u>\$ 187,644</u>	<u>\$ 195,751</u>

Investment management fees charged to expenses are \$20,035.45 (2024 - \$17,627.53). Interest includes bank interest \$ 5,297.07 (2024 - 4,581.96).

Guaranteed Investment Certificate is with RBC bank for 1 year at 5.2% interest which will mature on October 9, 2025.

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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5. Capital assets

			2025
	Cost	Accumulated Depreciation	Net Book Value
Restricted capital assets:			
Land	\$ 2,498,715	-	2,498,715
Buildings	3,446,758	(533,491)	2,913,267
Office furniture and equipment	171,034	(75,515)	95,519
Vehicle	85,575	(60,428)	25,147
Computer equipment	78,365	(78,365)	-
Leasehold improvements	314,618	(187,328)	127,290
	<u>\$ 6,595,065</u>	<u>\$ (935,127)</u>	<u>\$ 5,659,938</u>
Unrestricted capital assets:			
Office furniture and equipment	76,019	(66,465)	9,553
Computer equipment	36,053	(36,053)	-
	<u>\$ 112,072</u>	<u>\$ (102,518)</u>	<u>\$ 9,553</u>

			2024
	Cost	Accumulated Depreciation	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	\$ (66,034)	\$ 319
Computer equipment	36,053	(36,053)	-
	<u>\$ 102,405</u>	<u>\$ (102,087)</u>	<u>\$ 319</u>

Depreciation for the year is \$ 175,037 (2024 - \$152,889)

6. Accounts payable and accrued liabilities

Comprised of:

	2025	2024
Accounts Payable	\$ 290,061	\$ 258,462
Accrued Liabilities	620,206	294,275
Credit card payable	77,678	8,822
Payroll related liabilities	-	9,782
Due to client	5,685	24,303
Scholarship payable	11,120	14,424
Others	1,269	686
	<u>\$ 1,006,020</u>	<u>\$ 610,754</u>

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7. Mortgage Payable

The mortgage payable was held by the Royal Bank of Canada and is repayable in blended monthly payments for \$2,870. Interest is 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 360°kids at 53 Hamilton Hall Drive, Markham and 65 Oak Lee Circle, Markham. The mortgage was paid in full in October 2023.

Mortgage interest for the year charged by building occupancy expense amounted to \$NIL (2024 - \$144).

8. Fund balances

The Restricted funds consist of the following:

	2025	2024
Restricted Capital Assets fund net of mortgage	\$ 5,256,538	\$ 4,068,900
Externally Restricted funds	2,084,085	2,119,583
Capital Reserve fund	72,507	75,528
	<u>\$ 7,413,130</u>	<u>\$ 6,264,011</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 \$1,362,244 (2024 - \$1,952,228) less amortization of capital assets of \$ 174,605 (2024 - \$122,385).

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:

	2025	2024
Other agency initiatives	\$ 514,443	\$ 786,337
Youth Initiatives	229,732	390,045
Emergency housing	425,636	211,050
Preventative programs	12,379	126,254
Residential programs	901,896	605,897
	<u>\$ 2,084,085</u>	<u>\$ 2,119,583</u>

9. 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 \$Nil (2024 - \$2,580) of funds were received, and a refund for \$3,021 (2024 - \$Nil) was issued to MCCSS.

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Notes to Financial Statements

March 31, 2025

10. Commitments

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

Fiscal Year	
2025	509,770
2026	185,254
2027 and beyond	23,296
	<u>\$ 718,319</u>

11. Grants and Subsidies

Grants and subsidies include amounts from the following sources:

	2025	2024
Residential programs		
Municipality of York Region	\$ 3,510,243	\$ 2,620,002
United Way Greater Toronto	1,673,151	2,395,422
MCCSS	1,500,799	1,285,783
Toronto and York Region Children's Aid Society	451,694	540,730
Dnaagdawenmag Binnoojiiyag Child & Family	147,840	-
Simcoe Muskoka Family Connexions	10,036	-
Ontario Trillium Foundation	17,700	161,200
	<u>7,311,463</u>	<u>7,003,137</u>
	-	-
Community		
Municipality of York Region	\$ 917,034	\$ 1,023,035
Human Resources Development Canada	892,220	1,613,948
MCCSS	530,375	519,175
Ministry of The Solicitor General	214,561	132,750
United Way Greater Toronto	164,195	114,971
Ontario Trillium Foundation	63,400	87,100
Public Health Agency of Canada	-	82,500
Agingcourt Community Services Association	-	1,200
	<u>2,781,785</u>	<u>3,574,679</u>
	-	-
Fundraising and Administration		
Miscellaneous programs		
United Way Greater Toronto	\$ 84,861	\$ 84,861
	<u>84,861</u>	<u>84,861</u>
	-	-
	<u>\$ 10,178,109</u>	<u>\$ 10,662,677</u>

360°kids 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, 2026.

12. Fundraising and donations

Fundraising and donation revenue includes unrestricted donations in-kind of \$87,588 (2024 - 26,973), consisting of unrestricted contributed materials included in other program costs of \$36,945 (2024 - \$21,393) and unrestricted stock donation of \$50,643 (2024 - \$5,581).

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13. Guarantees

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

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

360°kids' financial instruments are exposed to a variety of financial risks: credit risk; liquidity risk and market risk. 360°kids' 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. 360°kids' investment committee delegates investment management by employing experienced investment managers, whose investment policies are in line with 360°kids' own investment policy criteria. The investment managers are required to comply with these investment policies in order to reduce the above noted risks to 360°kids' 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. 360°kids' 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 360°kids' maximum exposure at that date. Four large funders comprises 84% (2024 - 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. 360°kids 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 360°kids will encounter difficulty in meeting obligations associated with financial liabilities. These risks are mitigated by the fact that 360°kids holds a substantial portion of its portfolio in cash and cash equivalents sufficient to discharge its financial liabilities when they are due.

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Notes to Financial Statements

March 31, 2025

14. Financial instruments continued

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. 360°kids is exposed to interest rate risk, currency risk and other price risk.

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. 360°kids holds investments in foreign currencies therefore they are exposed to currency risk. 360°kids' 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 360°kids' financial instruments due to fluctuations in interest rates. 360°kids' 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.

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. 360°kids' exposure to other price

Financial liabilities

At March 31, 2025, it is management's opinion that 360°kids is not in default of the terms of any of its financial liabilities.

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15. Allocation of administration costs

360°kids 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:

	2025	2024
Administration costs		
Salaries and employee benefits	\$ 799,304	\$ 567,887
General and administration	-	318,402
	<u>\$ 799,304</u>	<u>\$ 886,289</u>
Administration cost allocated to		
Residential programs	\$ 520,097	\$ 601,469
Community programs	279,207	284,820
	<u>\$ 799,304</u>	<u>\$ 886,289</u>

16. Contingent liabilities

As at the year end, two legal claims have commenced against 360°kids. 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.

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

	Child Welfare - Community and prevention Supports						Subtotal	Reintegration/R	Anti-Human	Total MCCSS	MCCSS Minor	Total MCCSS	Other program	Total
	Operating	Community	Youth Outreach	Youth Outreach	Youth in	Enhanced YOW		ehabilitation	Trafficking					
	residential	capacity building	Worker	Worker (SA)	Transition	E755		Services- Community	Community					
E750	E753	E755	E755	Worker		Gang Prevention & Intervention	HOPE	Service Contracts	Capital		funding			
Revenue														
Government subsidies	\$ 579,325	\$ 131,790	\$ 313,650	\$ 34,466	\$ 83,890	\$ 80,100	\$ 1,223,220	\$ 102,160	\$ 601,794	\$ 1,927,174	\$ 104,000	\$ 2,031,174	\$ 8,146,935	\$ 10,178,109
Other revenue	1,200	-	-	-	-	-	1,200	-	11,838	13,038	-	13,038	182,640	195,678
Fundraising and donations	27,829	-	9,502	-	-	3,710	41,040	40,000	157,625	238,665	-	238,665	614,161	852,826
	<u>608,354</u>	<u>131,790</u>	<u>323,152</u>	<u>34,466</u>	<u>83,890</u>	<u>83,810</u>	<u>1,265,460</u>	<u>142,160</u>	<u>771,257</u>	<u>2,178,877</u>	<u>104,000</u>	<u>2,282,877</u>	<u>8,943,736</u>	<u>11,226,613</u>
Expenditures														
Salaries	365,300	85,823	228,313	-	57,291	51,701	788,429	103,456	412,644	1,304,528		1,304,528	4,334,737	5,639,265
benefits	52,700	15,615	39,611	-	10,282	8,129	126,337	17,730	58,615	202,681		202,681	677,608	880,289
Travel & Communication	17,528	6,762	10,840	-	5,603	1,811	42,544	4,921	15,685	63,150		63,150	136,033	199,183
Staff training	-	403	-	-	-	453	855	400	3,779	5,034		5,034	28,804	33,838
program costs	78,269	1,310	820	34,466	1,541	997	117,402	1,078	130,793	249,273		249,273	1,100,929	1,350,202
Building accommodation	22,131	-	-	-	-	9,960	32,091	-	28,293	60,384	95,888	156,272	539,449	695,721
Office	16,495	5,255	8,772	-	1,780	2,748	35,048	4,576	31,037	70,661		70,661	234,425	305,086
Allocate central administrative expense (salaries)	55,932	16,623	34,796	-	7,394	8,010	122,755	10,000	85,963	218,718		218,718	580,586	799,304
Total Expenses	<u>608,354</u>	<u>131,790</u>	<u>323,152</u>	<u>34,466</u>	<u>83,890</u>	<u>83,810</u>	<u>1,265,460</u>	<u>142,160</u>	<u>766,809</u>	<u>2,174,429</u>	<u>95,888</u>	<u>2,270,317</u>	<u>7,632,571</u>	<u>9,902,888</u>
Excess (deficit) of revenue over expenditures	-	-	-	-	-	-	-	-	4,448	4,448	8,112	12,560	1,311,164	1,323,725
Less: Amortization of capital assets	(15,044)	-	-	-	-	-	(15,044)	-	(2,775)	(17,818)		(17,818)	(156,787)	(174,605)
Excess (deficit) of revenue over expenditures for the year	<u>\$ (15,044)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,044)</u>	<u>\$ -</u>	<u>\$ 1,674</u>	<u>\$ (13,370)</u>	<u>\$ 8,112</u>	<u>\$ (5,258)</u>	<u>\$ 1,154,377</u>	<u>\$ 1,149,119</u>