

ambassador

THE NATIONAL NEWSLETTER OF KIDS HELP PHONE

features

*Financial Report
and Statements*

*Kids Help Phone &
Parent Help Line
Statistics*

2002 Highlights

Our Supporters

Board of Directors

Report from the Chair of the Board and the President and CEO

In 1992, when David Dodge, the current Governor of the Bank of Canada, was appointed Deputy Minister of Finance, he put the following sign on his door:

*“Due to the economic situation,
the light at the end of the tunnel
has been temporarily turned off.”*

We at Kids Help Phone could probably have used that same sign when we assumed the responsibility of expanding our support of Canadian kids by launching Parent Help Line in 2000. The responsibility was as simple as it was challenging. First, to ensure that the quality of service Kids Help Phone provides kids was not compromised. Secondly, to develop Parent Help Line into a viable and valuable service supporting parents across the country. Thirdly, to develop significant new revenue streams that would ensure that we could continue to grow both Kids Help Phone and Parent Help Line to their maximum potential.

The last three years have indeed been challenging, but at some point during 2002, the light at the end of the tunnel was turned back on. Our new revenue streams were beginning to flow. Parent Help Line was bursting at its seams. Not only do we continue to provide the same high quality telephone counselling to an increasing number of children and youth, but in June 2002, we launched online counselling at www.kidshelpphone.ca.

Thanks to every volunteer, individual and corporate supporter and employee who helped in so many ways to achieve all of this. And for your continuing efforts in the future. Because, achieving our ultimate objective of meeting the needs of every child and parent who could benefit from our support remains a significant challenge.

We estimate that we will need to almost double our 2003 revenue forecast of \$9.2 million to achieve that objective. Clearly an ambitious goal but we believe it's achievable based on the new fund development programs that we have successfully established over the past two years.

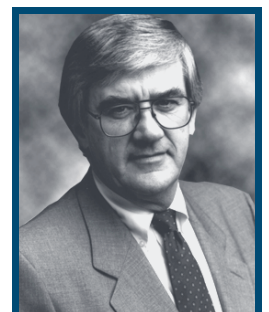
We are both very proud to have been part of this achievement.

Again, thanks to everyone for helping us turn the light back on and ensuring that we will “be there” for an ever-increasing number of Canadian children and youth and their parents in the future.



Robin D. Beddis

Robin D. Beddis, Chair



Bill Saul

Bill Saul, President and CEO



being
there
for kids

2002 Financial Report

Our 2002 Financial Statements reflect the continuation of our strategy of financing our planned operating deficit by drawing down the Dionne Legacy, which is included in Restricted Funds in the Balance Sheet.

The operating deficit was largely the result of investments in new fund development programs designed to establish new streams of ongoing revenue. The most prominent of these was the Bell Walk for Kids, which enjoyed a successful inaugural event. (Gross revenue for the second annual event in May 2003 was up 65% over 2002; net revenue up 165%.) But we continued to invest in our chapter expansion program. (30 chapters will generate revenue in 2003 versus six in 2000.)

The Dionne Legacy was exhausted in 2003, but we believe that the new fundraising programs, established in the past three years, will allow us to finance the growth in demand for our services.

The decline in our service costs reflects cost control efforts in the Kids Help Phone and Parent Help Line operations that did not impact the quality or quantity of our services. In fact, Kids Help Phone costs were reduced despite the introduction of our new online counselling service in June 2002. We cut back significantly on our Public Education programs in order not to affect the delivery of our core telephone counselling services.

We invested close to \$100,000 on the development of an online donation application. It was critical to the success of the 2002 Bell Walk and we are using it in an increasing number of our events and philanthropic giving programs. As well as providing an effective new way to solicit donations, it delivers a significant per transaction cost savings.

Despite the exhaustion of the Dionne Legacy, we remain in a solid cash position. The Operating Fund was increased by 5.7% in 2002 and the Operating Reserve Fund was maintained at \$1.1 million.

Financial Statements

Condensed Consolidated Balance Sheet December 31, 2002

	2002	2001
Current Assets		
<i>Cash and short-term investments</i>	\$1,619,889	\$1,325,268
<i>Other current assets</i>	602,548	733,105
	<u>2,222,437</u>	<u>2,058,373</u>
Restricted Investments	1,176,026	2,146,503
Capital Assets	916,554	1,021,691
	<u>\$4,315,017</u>	<u>\$5,226,567</u>
Current Liabilities	\$760,345	\$671,338
Long-Term Liabilities	237,111	233,313
Operating Fund	2,141,526	2,175,413
Restricted Funds	1,176,026	2,146,503
	<u>\$4,315,017</u>	<u>\$5,226,567</u>

Condensed Consolidated Statement of Revenue and Expenses Year ended December 31, 2002

	2002	2001
Revenue		
<i>From fundraising</i>	\$8,048,392	\$7,737,155
<i>From restricted funds</i>	9,490	69,656
	<u>8,057,882</u>	<u>7,806,811</u>
Expenses		
Services		
<i>Kids Help Phone</i>	3,127,171	3,412,500
<i>Parent Help Line</i>	1,141,498	1,119,067
<i>Public Education</i>	111,881	311,508
<i>Student Ambassador</i>	378,665	381,362
<i>Scholarship</i>	1,000	1,000
	<u>\$4,760,215</u>	<u>\$5,225,437</u>
Direct Fundraising	2,658,032	2,287,121
General and Administrative	560,116	542,149
Donor Development	656,130	551,879
Amortization of Capital Assets	258,097	259,394
Rent	140,204	107,143
Interest on obligation under		
<i>capital assets</i>	27,566	36,816
Loss on disposal of capital assets	1,886	-
	<u>\$9,062,246</u>	<u>\$9,009,939</u>
Excess of Expense over Revenue	<u>\$(1,004,364)</u>	<u>\$(1,203,128)</u>

Being there for kids 24 hours a day

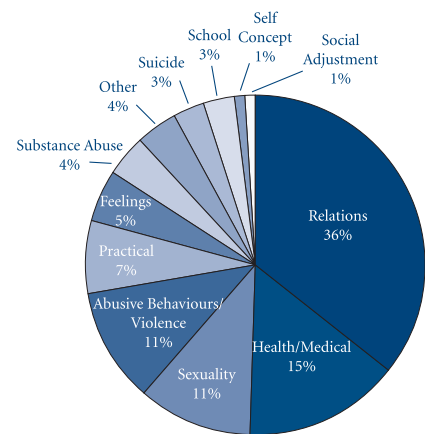
KIDS HELP PHONE

Kids Help Phone counsellors heard from young people from more than 3000 Canadian communities in 2002. They logged on to our website more than 460,000 times. We helped them with a wide variety of issues (including physical, sexual and emotional abuse, dating, school and parental divorce) and we helped them by providing information, support and referrals.

We heard from kids like John, 8, who spent recess hiding from some older boys who threatened to beat him up if he went near the playground. John told the counsellor that he couldn't play with his friends because the older boys chased him away when he went near the playground. He was lonely and confused about why he was being targeted by boys he didn't even know. The Kids Help Phone counsellor explained that bullying is never okay and encouraged John to tell his teacher or his parents about what was happening and ask for their help.

With the support of our thousands of volunteers and donors, we can be there for kids like John 24 hours a day, 365 days a year.

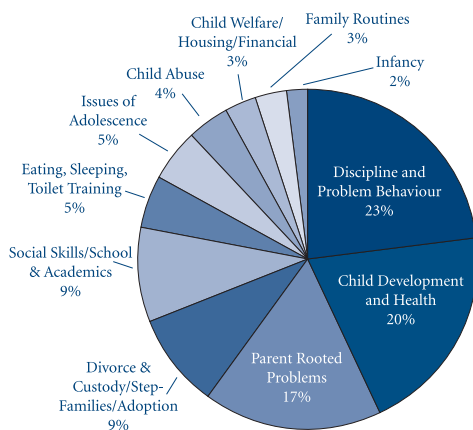
What Kids Called About *



* Based on calls for which in-depth counselling was required.

Helping Canadian Parents Cope

What Parents Called About *



* Based on calls for which in-depth counselling was required.

When Kids Help Phone launched Parent Help Line in collaboration with Invest in Kids in 2000, we knew it was a needed service. Born out of our commitment to be there for kids, Parent Help Line helps Canadian parents with their parenting and coping skills. Since our launch, we've answered tens of thousands of calls, with call volume increasing steadily. In fact, in 2002, calls to Parent Help Line increased 34% over 2001 and counsellors answered calls from more than 1,800 Canadian communities.

We also grew the bilingual phone and website topic library, developed by the child development and parenting experts at Invest in Kids, to more than 270

messages. Parents can now access more topics on parenting issues, from coping with stress to drug addiction.

Most importantly, we're helping Canadian kids by helping their parents. We helped parents like "Ben", who was terrified when he called. Just prior to calling Parent Help Line, he felt he was close to hitting his toddler, or worse. He said was desperate to talk to an adult who could help him calm down. Parents like Ben are the reason for Parent Help Line. It's an integral part of our commitment to be there for kids 24 hours a day, every day of the year.

PARENT HELP LINE

Kids Help Phone Releases Bully Study

In April 2003, Kids Help Phone released “Bullying Trends and Interventions”, the first installment in a series of annual studies and reports that we will be releasing as part of a long-term look at the issues faced by Canadian children and youth. We hope these studies will help identify emerging issues affecting young people, resulting in public policy changes and front-line programs that will directly and positively impact Canadian children and families.

“Bullying Trends and Interventions” was derived from 7,393 calls to Kids Help Phone about bullying received between 1996 and 2002 in addition to random in-depth interviews of 27 callers between February 11 and March 10, 2003.

Early analysis of the results indicates that the plight of bullied children and youth is not improving, despite increased attention the issue has garnered in recent years. Most participants indicated the bullying continued after seeking help and for some, the bullying got worse.

For a copy of the entire study or to learn more, please visit www.kidshelpphone.ca/bullystudy.

PUBLIC EDUCATION

Student Ambassador Program Continues to Grow

STUDENT AMBASSADORS

The Kids Help Phone Student Ambassador program, sponsored by BMO Financial Group, continues to prove a popular and valuable experience for young Canadians. In 2002, the program saw significant growth across the country. More than 1,750 Student Ambassadors representing 458 schools in 69 communities spread the word about Kids Help Phone among their peers, raised funds to support our services, spoke to media about their experiences and learned some valuable life lessons.

The program trains young people about volunteering today, but more importantly, its goal is to encourage them to embrace volunteerism for life. Recently, we’ve seen signs that we’re achieving that goal. In 2002, we saw a substantial increase in the number of Student Ambassadors who continued their work with Kids Help Phone even after graduating high school. Their continued commitment to Kids Help Phone and to the Student Ambassador program is now helping us reach post-secondary students – a group that still needs our services but might not think to call anymore.

The Student Ambassador program is unique and invaluable – both for its participants and for us. We look forward to nurturing its continued growth.