

**Options for Sexual Health**  
**Financial Statements**  
For the year ended March 31, 2015

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Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
600 Cathedral Place  
925 West Georgia Street  
Vancouver BC V6C 3L2 Canada

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## Independent Auditor's Report

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### To the Members of Options for Sexual Health

We have audited the accompanying financial statements of Options for Sexual Health which comprise the Statement of Financial Position as at March 31, 2015 and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Options for Sexual Health as at March 31, 2015 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Other Matters

The financial statements of Options for Sexual Health for the year ended March 31, 2014 were audited by another auditor who expressed a qualified opinion on those financial statements on July 28, 2014.



### Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia

July 12, 2015

**Options for Sexual Health  
Statement of Financial Position**

**March 31** **2015** **2014**

**Assets**

**Current**

Cash	\$ 279,764	\$ 265,104
Temporary investments (Note 2)	452,086	452,364
Accounts receivable (Note 3)	24,873	35,154
Inventory	162,494	123,735
Prepaid expenses	7,067	14,408

**926,284** **890,765**

**Property and equipment (Note 4)**

**46,494** **11,541**

**\$ 972,778** **\$ 902,306**

**Liabilities and Net Assets**

**Liabilities**

**Current**

Accounts payable and accrued liabilities	\$ 132,574	\$ 134,844
Bank indebtedness (Note 5)	11,984	6,110
Deferred revenue (Note 6)	509,442	498,172

**654,000** **639,126**

**Net Assets**

Invested in property and equipment	46,494	11,541
Unrestricted net assets	272,284	251,639

**318,778** **263,180**

**\$ 972,778** **\$ 902,306**

**Commitments (Note 8)**

Approved on behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

## Options for Sexual Health Statement of Operations

For the year ended March 31	2015	2014
<b>Revenues</b>		
Province of British Columbia	<u>\$ 1,164,914</u>	<u>\$ 1,164,914</u>
Grants revenue		
Gaming	173,000	173,000
United Way	47,887	47,854
Other grants	<u>70,298</u>	<u>26,029</u>
	<u>291,185</u>	<u>246,883</u>
Other revenues and services		
Sale of medical supplies	564,644	574,114
Education fees	150,809	126,801
Donation	38,209	24,267
MSP processing fees	8,535	8,504
Clinic fees and services	6,510	5,080
Conference fees	18,175	1,250
Fundraising events	8,257	4,445
Investment income	<u>4,233</u>	<u>2,930</u>
	<u>799,372</u>	<u>747,391</u>
<b>Total Revenues</b>	<u><b>\$ 2,255,471</b></u>	<u><b>\$ 2,159,188</b></u>
<b>Expenses</b>		
Advertising and promotion	11,861	12,221
Amortization of property and equipment	10,009	4,487
Bank charges and interest	7,937	6,245
Fundraising	15,466	1,413
Insurance	12,561	12,368
Medical supplies	325,141	336,353
Office supplies	33,516	35,102
Professional and consulting	12,000	11,790
Rent	99,560	98,445
Repairs and maintenance	67,380	45,534
Contracts, salaries and wages	1,286,062	1,248,403
Sex Sense program (Schedule 1)	199,762	202,443
Training and education	83,426	40,384
Telephone	32,655	30,816
Travel	<u>2,537</u>	<u>5,084</u>
	<u>2,199,873</u>	<u>2,091,088</u>
<b>Excess of revenue over expenses</b>	<u><b>\$ 55,598</b></u>	<u><b>\$ 68,100</b></u>

**Options for Sexual Health  
Statement of Changes in Net Assets**

For the year ended March 31

	Invested in Property and Equipment	Unrestricted	2015	2014
Balance, beginning of year	\$ 11,541	\$ 251,639	\$ 263,180	\$ 195,080
Excess (deficiency) of revenue over expenses	(10,009)	65,607	55,598	68,100
Interfund transfers-acquisition of equipment	44,962	(44,962)	-	-
<b>Balance, end of the year</b>	<b>\$ 46,494</b>	<b>\$ 272,284</b>	<b>\$318,778</b>	<b>\$ 263,180</b>

**Options for Sexual Health**  
**Statement of Cash Flows**

For the year ended March 31	2015	2014
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 55,598	\$ 68,100
Adjustments for non-cash items		
Amortization of property and equipment	10,009	4,664
	65,607	72,764
Changes in non-cash working capital items		
Accounts receivable	10,281	251,210
Inventory	(38,759)	8,639
Prepaid expenses	7,341	3,828
Accounts payable and accrued liabilities	(2,270)	12,009
Deferred revenues	11,270	(56,610)
	53,470	291,840
<b>Investing activities</b>		
Purchase of property and equipment	(44,962)	(10,774)
Redemption (purchase) of short term investments	278	(452,071)
	(44,684)	(462,845)
<b>Financing activities</b>		
Advances from bank	5,874	-
	14,660	(171,005)
<b>Increase (decrease) in cash during the year</b>	<b>14,660</b>	<b>(171,005)</b>
Cash, beginning of year	265,104	436,109
<b>Cash, end of year</b>	<b>\$ 279,764</b>	<b>\$ 265,104</b>



March 31, 2015

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1. Significant Accounting Policies

(a) Nature of Organization

Options for Sexual Health (the "Society") is incorporated under the Society Act of British Columbia. The Society, a registered charity, is exempt from income taxes under section 149 of the Income Tax Act. The purpose of the Society is to prevent unplanned pregnancies and promote optimal reproductive health by providing quality education, information, and clinic services to individuals, groups and communities in BC.

(b) Basis of Accounting

The Society has prepared its financial statements in accordance with the Canadian accounting standards for not-for-profit organizations ("ASNPO").

(c) Net Assets

Net assets invested in property and equipment represents the Society's investment in property and equipment.

(d) Inventory

Inventory consists of pills and medical supplies. The inventory is stated at the lower of cost and net realizable value.

(e) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. Subsequently, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments charged to the financial instrument for those measured amortized cost and amortized over the term. Financial instrument consist of cash, receivables, temporary investments and accounts payable and accrued liabilities.

(f) Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization commences once the asset is put into use. Amortization is provided on a straight line basis over the following periods:

Computer equipment	- 3 years
Furniture and equipment	- 3 years
Leasehold improvements	- Term of lease

(g) Donations In-kind

The Society recognizes contributions of goods and services when a fair market value can be reasonably estimated and when the donated goods or services would otherwise have been purchased for use in the normal course of operations. The Society has free rent for some of the clinics during the year. Due to the difficulty in determining the fair value of the rents, free rents are not recognized in these financial statements.

March 31, 2015

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1. Significant Accounting Policies (Continued)

(h) Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the acquisition of property and equipment are deferred and amortized over the remaining useful life of the asset acquired.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Sale of services is recognized on an accrual basis as the services are performed. Sale of goods is recognized when the goods are transferred. Donation revenue is recognized when the donation is received. Other income is recognized as revenue when earned.

(i) Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Society and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.

(j) 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 that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Management is also required to make estimates with respect to the collectability of accounts receivable and allowance for bad debts. As well, management makes estimates for required provisions for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Options for Sexual Health**  
**Notes to Financial Statements**

**March 31, 2015**

**2. Temporary Investments**

	2015	2014
Vancity term deposit (Interest rate at 1.15% per annum, term March 25, 2015 - March 25, 2016)	\$ 250,000	\$ -
RBC GIC (Interest rate at 1.1% per annum, term April 23, 2014 - April 23, 2015)	200,000	-
RBC GIC (Interest rate at 1.1% per annum, term April 23, 2013 - April 23, 2014)	-	200,000
RBC GIC (Interest rate at 1.05% per annum, term February 27, 2014 - February 27, 2015)	-	250,000
Accrued interest	2,086	2,364
	\$ 452,086	\$ 452,364

**3. Accounts Receivable**

	2015	2014
Accounts Receivable	\$ 14,678	\$ 28,073
GST Receivable	10,195	7,081
	\$ 24,873	\$ 35,154

**4. Property and Equipment**

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 89,752	\$ 84,248	\$ 5,504	\$ 9,900
Furniture and equipment	44,826	42,960	1,866	1,641
Leasehold improvements	43,471	4,347	39,124	-
	\$ 178,049	\$ 131,555	\$ 46,494	\$ 11,541

Costs incurred for leasehold improvements are related to the renovations on the leased office space.

**Options for Sexual Health  
Notes to Financial Statements**

**March 31, 2015**

**5. Credit Facility**

The Society has a credit facility agreement with a bank, which allows to borrow up to a maximum of \$35,000 (2014 - \$35,000) at an interest rate of 19.99% for purchases and 21.99% for cash advances (0% interest rate if it is paid before 30 days).

**6. Deferred Revenues**

	2015			2014	
	Deferred Revenues Opening	Revenue Received	Grants Spent / Revenue Recognized	Deferred Revenues Closing	Deferred Revenues Closing
Provincial Health Services Authority	\$ 250,000	\$ 1,164,914	\$(1,164,914)	\$ 250,000	\$ 250,000
BC Gaming	\$ 173,000	173,000	(173,000)	173,000	173,000
Other projects	28,912	74,048	(48,259)	54,701	28,912
Professional education workshops	24,375	-	(24,375)	-	24,375
Unearned conference fee	15,775	-	(15,775)	-	15,775
Teaching programs	4,610	107,932	(83,176)	29,366	4,610
United Way	1,500	2,375	(1,500)	2,375	1,500
	<b>\$ 498,172</b>	<b>\$ 1,522,269</b>	<b>\$(1,510,999)</b>	<b>\$ 509,442</b>	<b>\$ 498,172</b>

**7. Economic Dependence**

The Society receives approximately 52% (2014 - 54%) of its total revenues from the Provincial Health Services Authority.

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## Options for Sexual Health Notes to Financial Statements

March 31, 2015

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### 8. Commitments

During the year the Society signed two office premises leases for its Vancouver office and Maple Ridge clinic. The term of the Vancouver office lease is from January 1, 2015 until December 31, 2019, and the term of the Maple Ridge clinic is from March 15, 2015 until March 14, 2018.

The Society has signed two equipment leases subsequent to year end. The term is from April 1, 2015 until March 31, 2021.

The future minimum lease payments until maturity are as follows:

Year	Amount
2016	\$ 82,204
2017	84,533
2018	86,656
2019	85,875
2020	67,642
2021 and beyond	<u>7,072</u>
	<u>\$ 413,982</u>

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### 9. Financial Risk Factors

Risk management relates to the understanding and active management of risks associated with all areas of the Society and the associated operating environment. The Society is primarily exposed to the following risks:

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society's exposure to interest risk is outlined in Note 2 where the interest rates and terms to maturity of the investments are listed. The risk is mitigated by the relative short terms to maturity.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk arising from its accounts receivable. The risk is managed by actively following up on past due accounts to minimize exposure.

(c) Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its obligations as they fall due. The Society maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

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Options for Sexual Health  
Notes to Financial Statements

March 31, 2015

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10. Comparative Figures

Certain comparative amounts have been restated to conform with the current year's presentation.

**Options for Sexual Health**  
**Schedule 1 - Sex Sense Program Revenue and Expenses**

<b>For the year ended March 31</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Province of British Columbia contracts	\$ 240,000	\$ 240,000
Yukon fee for service	1,128	332
	<u>241,128</u>	<u>240,332</u>
<b>Expenses</b>		
Staff salaries and benefits	125,232	120,040
Advertising and promotion	29,673	36,233
Management salaries and benefits	21,108	25,377
Rent	11,232	11,232
Office and miscellaneous	6,193	3,977
Telephone	4,770	3,239
Accounting and audit	1,000	1,000
Professional development	-	635
Resource development	380	440
Amortization	-	177
Printing and mailouts	174	93
	<u>199,762</u>	<u>202,443</u>
	<u>\$ 41,366</u>	<u>\$ 37,889</u>