
**OPTIONS FOR SEXUAL HEALTH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2014**





INDEPENDENT AUDITORS' REPORT

To the Members of:
Options for Sexual Health

Report on the Financial Statements

We have audited the accompanying financial statements of Options for Sexual Health (the "Society") which comprise the statement of financial position as at March 31, 2014 and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and the related notes comprising 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.

Auditors' 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 our 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, we consider 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations, assets, and changes in net assets as at March 31, 2014 and for the year then ended. Our audit opinion on the financial statements for the year ended March 31, 2013 also contained a qualification because of the possible effects of this limitation in scope.



INDEPENDENT AUDITORS' REPORT

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Options for Sexual Health as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on the operating results of the Sex Sense Program included in the Schedule to the financial statements is presented to provide additional information. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

July 28, 2014

**OPTIONS FOR SEXUAL HEALTH
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014**

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 715,401	\$ 436,402
Accounts receivable	30,140	14,080
GST receivable	7,081	22,284
Government grant receivable	-	250,000
Inventory	123,735	132,374
Prepaid expenses and deposits	14,408	18,236
	890,765	873,376
CAPITAL ASSETS (Note 3)	11,541	5,431
	\$ 902,306	\$ 878,807
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 140,954	\$ 128,945
Deferred revenue (Note 5)	498,172	554,782
	639,126	683,727
COMMITMENTS (Note 6)		
NET ASSETS		
INVESTED IN CAPITAL ASSETS	11,541	5,431
UNRESTRICTED	251,639	189,649
	263,180	195,080
	\$ 902,306	\$ 878,807

Approved by the Board:

_____ Director

_____ Director



OPTIONS FOR SEXUAL HEALTH
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

			2014		2013	
	Invested in capital assets	Unrestricted	Total	Total	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 5,431	\$ 189,649	\$ 195,080	\$ 92,235		
Excess of revenue over expenses for the year	(4,664)	72,764	68,100	102,845		
Acquisition of capital assets	10,774	(10,774)	-	-		
BALANCE, END OF YEAR	\$ 11,541	\$ 251,639	\$ 263,180	\$ 195,080		



**OPTIONS FOR SEXUAL HEALTH
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
REVENUE		
Fundraising:		
Province of British Columbia contracts	\$ 1,165,246	\$ 1,200,096
Gaming and other	182,461	210,833
United Way	47,854	48,418
Donations and memberships	24,267	23,667
Grants	20,681	33,364
Services:		
Sale of medical supplies	574,114	670,071
Education fees	126,801	126,266
MSP commissions	8,504	12,988
Clinic fees and services	5,080	4,657
Conference fees	1,250	27,707
Education supplies - sales	-	258
Investment income	2,930	431
	2,159,188	2,358,756
EXPENSES		
Human Resources:		
Salaries and benefits	1,241,050	1,243,369
Services:		
Medical supplies	336,353	415,953
Sex sense program (Schedule)	201,809	219,832
Training / education	22,555	35,730
Outreach publicity	12,221	8,297
Administration:		
Office	126,495	156,641
Travel	5,085	6,248
Fundraising	1,413	13,523
Special programs	128	9,171
Operations:		
Rent	101,373	103,009
Telephone	30,816	34,932
Professional fees	11,790	9,206
	2,091,088	2,255,911
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 68,100	\$ 102,845



**OPTIONS FOR SEXUAL HEALTH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 68,100	\$ 102,845
Items not involving cash:		
Amortization	4,664	-
	72,764	102,845
Change in non-cash working capital items:		
Accounts receivable	(16,060)	7,764
GST receivable	15,203	1,957
Government grant receivable	250,000	(250,000)
Inventory	8,639	(16,898)
Prepaid expenses and deposits	3,828	877
Accounts payable and accrued liabilities	12,009	(12,683)
Deferred revenue	(56,610)	39,192
	289,773	(126,946)
INVESTING ACTIVITIES		
Acquisition of capital assets	(10,774)	447
INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING THE YEAR		
	278,999	(126,499)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	436,402	562,901
CASH AND EQUIVALENTS, END OF YEAR	\$ 715,401	\$ 436,402



OPTIONS FOR SEXUAL HEALTH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

PURPOSE AND HISTORY OF THE SOCIETY

The Society's mission is to prevent unplanned pregnancies and promote optimal reproductive health by providing quality education, information, and clinic services to individuals, groups and communities in B.C.

The Society is a non-profit organization incorporated under the Society Act of British Columbia and is registered with the Canada Revenue Agency as a charity and is not subject to income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Financial instruments

i) Measurement

The Society's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. The Society initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Society subsequently measures all of its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenses in the period in which it is determined.

b) Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit, and highly liquid investments that are readily convertible to known amounts of cash, net of cheques issued and outstanding at the reporting date.

c) Inventory

Inventory is stated at the lower of cost and estimated net realizable value. Cost has been determined on a first-in, first-out basis. All inventory consists of retail products held for resale.

d) Capital assets

Capital assets are stated at cost less accumulated amortization which is recorded over the useful lives of the assets on the straight-line method using the following annual rates:

Computer equipment	33%
Furniture and equipment	33%



OPTIONS FOR SEXUAL HEALTH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Recoverability of capital assets

The Society monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.

f) Revenue recognition

The Society follows the deferral method of accounting for contributions. Grants are recorded when notice of approval is received or conditions for receipt are fulfilled. Where grants are to be applied over given periods, portions relating to periods beyond the fiscal year are recorded as deferred revenue.

Revenue from memberships, donations and fundraising is recorded when received.

Revenue from the sale of goods and services is recorded at the time of sale or provision of service if the amount to be received can be reasonably estimated and collection is reasonably assured.

g) Donated services

The Society benefits greatly from donated services in the form of volunteer time. The value of volunteer time is not recognized in these financial statements. Other contributed materials and services are recognized only when their fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

h) Allocation of expenses

The Society reports its expenses under one of the following functions: human resources, services, outreach, administration, fundraising, special programs, and operations.

The Society's total salaries and benefit expense is allocated between the human resources and services functions. This allocation is based on the relative amount of time the Society's employees work on each function. Details of the amounts allocated are disclosed in Note 7.

i) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable, the determination of the useful lives of capital assets, the valuation of inventory, the measurement of accrued liabilities, and the recognition of deferred revenue.

2. FINANCIAL INSTRUMENTS RISKS

The Society's financial instruments are described in Note 1(a). In management's opinion, the Society is not exposed to significant currency, credit, liquidity, interest rate or other market risks. In addition, the Society is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.



OPTIONS FOR SEXUAL HEALTH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

3. CAPITAL ASSETS

			2014		2013	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Computer equipment	\$ 90,399	\$ 80,499	\$ 9,900	\$	\$ 3,186	
Furniture and equipment	43,335	41,694	1,641		2,245	
	\$ 133,734	\$ 122,193	\$ 11,541	\$	\$ 5,431	

4. CREDIT FACILITIES

The Society has credit facilities with the Royal Bank of Canada totalling \$35,000 (2013 - \$40,000), secured by a general security agreement creating a first charge over all property of the Society. As at March 31, 2014, \$6,110 (2013 - \$2,601) of the available credit facilities have been utilized and are included in accounts payable and accrued liabilities.

5. DEFERRED REVENUE

	2014		2013	
Provincial Health Services Authority	\$ 250,000	\$	\$ 310,000	
BC Gaming	173,000		173,000	
Other projects	28,912		58,832	
Professional education workshops	24,375		10,000	
Unearned conference fees	15,775		-	
Teaching programs	4,610		2,200	
United Way	1,500		750	
	\$ 498,172	\$	\$ 554,782	

6. COMMITMENTS

The Society leases equipment and premises under agreements expiring between September 2014 and December 2019. Minimum payments under these agreements during the next five years are anticipated to be as follows:

2015	\$ 96,981
2016	93,994
2017	72,002
2018	69,562
2019	65,607



OPTIONS FOR SEXUAL HEALTH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

7. ALLOCATION OF SALARIES AND BENEFITS EXPENSE

Pursuant to the policy described in Note 1(h), the Society's expenditures for the year on salaries and benefits are allocated as follows:

	2014	2013
Human Resources	\$ 1,241,050	\$ 1,243,369
Services - Sex Sense Program	120,040	122,323
	<hr/> \$ 1,361,090	<hr/> \$ 1,365,692

8. ECONOMIC DEPENDENCE

The Society receives approximately 49% (2013 - 47%) of its annual operating revenue from provincial grants. The Society is dependent upon this funding to continue its operations.



OPTIONS FOR SEXUAL HEALTH
SCHEDULE OF SEX SENSE PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
REVENUE		
Province of British Columbia	\$ 240,000	\$ 240,000
EXPENSES		
Staff salaries and benefits	120,040	122,323
Advertising and promotion	36,233	50,548
Management salaries and benefits	25,377	24,134
Rent	11,232	11,232
Office and miscellaneous	4,155	134
Telephone	3,239	3,932
Accounting and audit	1,000	6,903
Resource development	440	166
Printing and mailouts	93	460
	201,809	219,832
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 38,191	\$ 20,168

