

**FINANCIAL STATEMENTS**

**OPTIONS FOR SEXUAL  
HEALTH**

**March 31, 2022**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
**Options for Sexual Health**

### ***Qualified Opinion***

We have audited the financial statements of Options for Sexual Health (the "Society"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2022, 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.

### ***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022, current assets as at March 31, 2022, and net assets as at April 1 and March 31 for the 2022 year. The 2021 audit report was also qualified in respect to this matter.

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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 qualified audit 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 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.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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. 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 Society's internal control.

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## INDEPENDENT AUDITOR'S REPORT

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- 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 Society'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 Society 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.

### Report on Other Legal and Regulatory Requirements

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

Vancouver, Canada  
September 13, 2022

*Tompkins Wozny LLP*

Chartered Professional Accountants



## STATEMENT OF FINANCIAL POSITION

As at March 31

	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	516,286	310,065
Temporary investments <i>[note 3]</i>	167,697	166,058
Accounts receivable <i>[note 4]</i>	135,323	45,852
Inventories	127,957	138,680
Prepaid expenses	19,329	22,545
	<b>966,592</b>	<b>683,200</b>
Capital assets <i>[note 5]</i>	19,688	4,834
	<b>986,280</b>	<b>688,034</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities <i>[note 6]</i>	103,926	118,359
Deferred revenue <i>[note 8]</i>	540,564	225,423
Current portion of obligation under capital lease <i>[note 9]</i>	4,567	3,362
	<b>649,057</b>	<b>347,144</b>
Obligation under capital lease <i>[note 9]</i>	6,811	11,378
	<b>655,868</b>	<b>358,522</b>
<b>NET ASSETS</b>	<b>330,412</b>	<b>329,512</b>
	<b>986,280</b>	<b>688,034</b>

Commitments *[note 14]*Other *[note 17]**See accompanying notes to the financial statements*

On behalf of the Board:

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

## STATEMENT OF CHANGES IN NET ASSETS

As at March 31

	Invested in Capital Assets \$	Internally Restricted \$	Unrestricted \$	Total \$
<b>2022</b>		<i>[note 2]</i>		
<b>Balance, beginning of year</b>	(9,906)	35,745	303,673	329,512
Excess of revenues (expenses) for the year	(5,725)	—	6,625	900
Acquisition of capital assets	20,579	—	(20,579)	—
Repayment of capital lease	3,362	—	(3,362)	—
<b>Balance, end of year</b>	<b>8,310</b>	<b>35,745</b>	<b>286,357</b>	<b>330,412</b>
<b>2021</b>				
<b>Balance, beginning of year</b>	(10,892)	35,745	309,920	334,773
Excess of revenues (expenses) for the year	(6,189)	—	928	(5,261)
Acquisition of capital assets	4,700	—	(4,700)	—
Repayment of capital lease	2,475	—	(2,475)	—
<b>Balance, end of year</b>	<b>(9,906)</b>	<b>35,745</b>	<b>303,673</b>	<b>329,512</b>

See accompanying notes to the financial statements

## Options for Sexual Health

### STATEMENT OF OPERATIONS

Year ended March 31

	2022	2021
	\$	\$
<b>REVENUE</b>		
Provincial government contracts <i>[note 10]</i>	1,327,327	1,330,495
Fee for service <i>[note 12]</i>	398,885	388,235
Donations and fundraising <i>[note 13]</i>	330,638	280,628
Grants <i>[note 11]</i>	246,406	173,545
Investment income	1,993	1,931
	<b>2,305,249</b>	<b>2,174,834</b>
<b>EXPENSES</b>		
Salaries, benefits and volunteer hours	1,588,213	1,479,666
Rent	319,836	297,896
Medical supplies	228,405	228,761
Advertising and promotion	38,549	38,199
Office and administration	40,606	37,802
Equipment and leases	14,647	26,246
Professional and consulting	20,502	20,353
Delivery	18,432	14,994
Insurance	12,576	12,361
Training and education	11,849	11,399
Amortization of capital assets	5,725	6,189
Interest on capital lease	4,121	5,008
Travel	716	1,062
Fundraising	172	159
	<b>2,304,349</b>	<b>2,180,095</b>
<b>Excess of revenues (expenses) for the year</b>	<b>900</b>	<b>(5,261)</b>

See accompanying notes to the financial statements

## STATEMENT OF CASH FLOWS

Year ended March 31

	2022	2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses) for the year	900	(5,261)
Item not affecting cash		
Amortization of capital assets	5,725	6,189
Changes in other non-cash working capital items		
Accounts receivable	(89,471)	12,180
Inventories	10,723	29,885
Prepaid expenses	3,216	(10,404)
Accounts payable and accrued liabilities	(14,433)	(616)
Deferred revenue	315,141	(19,324)
<b>Cash provided by operating activities</b>	<b>231,801</b>	<b>12,649</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(20,579)	(4,700)
Net proceeds (purchase) of temporary investments	(1,639)	(1,846)
<b>Cash used in investing activities</b>	<b>(22,218)</b>	<b>(6,546)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of capital lease	(3,362)	(2,475)
<b>Cash used in financing activities</b>	<b>(3,362)</b>	<b>(2,475)</b>
<b>Increase in cash during the year</b>	<b>206,221</b>	<b>3,628</b>
Cash, beginning of year	310,065	306,437
<b>Cash, end of year</b>	<b>516,286</b>	<b>310,065</b>

*See accompanying notes to the financial statements*

**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2022

**1. PURPOSE**

Options for Sexual Health (the "Society") is incorporated under the Societies 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 British Columbia.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**Use of Estimates**

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the useful lives of capital assets and the allocation of expenses to various programs and grants. Actual results could differ from these estimates.

**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 purchase of capital assets are deferred and amortized over the remaining useful life of the capital asset acquired. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized as revenue is earned.

Rental, counselling, memberships and miscellaneous revenue are recognized when the service is provided and collection is reasonably assured.



NOTES TO FINANCIAL STATEMENTS

March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, temporary investments, and accounts receivable. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities and the obligation under capital lease.

Inventories

Inventories consist of contraceptive and medical supplies, and are recorded at the lower of cost and net realizable value. The cost of inventories include all direct costs of purchase net of vendor rebates, and is determined on a first in, first out basis. Net realizable value is the estimated selling price in the ordinary course of business.

Capital Assets

Capital assets are recorded at cost. Amortization is provided as follows under a straight line basis:

- Computer equipment 3 years
- Equipment and furniture 3 years
- Leasehold improvements Term of lease
- Computer software 3 years

Leased Asset

Leases entered into that transfer substantially all the benefit 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 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.

Net Assets

Net assets invested in property and equipment represents the Society's investment in property and equipment. Internally restricted net assets represents those funds restricted by Board designation for contingency purposes. These amounts are not available for purposes other than those designated by the Board of Directors.

**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2022

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 [note 13] would otherwise have been purchased for use in the normal course of operations.

Board member volunteers contribute their time to assist the Society in carrying out its activities. Due to the difficulty in determining the fair value of such services their value is not recognized in these financial statements.

**3. TEMPORARY INVESTMENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Term deposits	<b>167,697</b>	166,058

Interest rates on term deposits are 1.00% [2021 - 0.45% to 2.00%] and mature in July 2022 and are reported at cost.

**4. ACCOUNTS RECEIVABLE**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Operations	<b>115,638</b>	25,179
Accrued supplier credit	<b>11,479</b>	14,090
GST receivable	<b>8,206</b>	6,583
	<b>135,323</b>	45,852
Allowance for doubtful accounts	—	—
	<b>135,323</b>	45,852

## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

### 5. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2022</b>			
Computer equipment	13,301	9,708	3,593
Equipment and furniture	4,782	1,158	3,624
Computer software	14,965	2,494	12,471
	<b>33,048</b>	<b>13,360</b>	<b>19,688</b>
<b>2021</b>			
Computer equipment	11,386	7,454	3,932
Equipment and furniture	1,083	181	902
	12,469	7,635	4,834

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022 \$	2021 \$
Operations	30,561	53,836
Government remittances - WorkSafeBC	3,582	2,836
Wages, vacation and benefits	69,783	61,687
	<b>103,926</b>	<b>118,359</b>

### 7. CREDIT FACILITY

The Society has a \$35,000 [2021 - \$35,000] overdraft agreement with a bank with an interest rate of 19.99% per annum. At March 31, 2022 there was no [2021 - Nil] outstanding balance on this facility.

## NOTES TO FINANCIAL STATEMENTS

March 31, 2022

**8. DEFERRED REVENUE**

	Opening Deferred \$	Amounts Received \$	Earned As Revenue \$	Ending Deferred \$
Province of British Columbia - Operating	—	1,167,915	924,915	243,000
Ministry of Health - Sex Sense	67,130	271,876	270,198	68,808
Province of British Columbia - HIV	10,000	150,000	132,214	27,786
Gaming	114,000	105,000	107,494	111,506
United Way	742	—	—	742
Teaching programs/courses	6,259	122,365	86,389	42,235
Other	27,292	158,107	138,912	46,487
	<b>225,423</b>	<b>1,975,263</b>	<b>1,660,122</b>	<b>540,564</b>

**9. OBLIGATIONS UNDER CAPITAL LEASE**

	2022 \$	2021 \$
Capital lease for a copier in monthly instalments of \$623, including an effective interest at 31.04% and matures on April 1, 2024.	11,378	14,740
Less: current portion	4,567	3,362
	<b>6,811</b>	<b>11,378</b>

The future minimum lease payments until maturity are as follows:

	\$
2023	7,483
2024	7,483
2025	623
	<b>15,589</b>
Less: imputed interest	4,211
	<b>11,378</b>

**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2022

**10. ECONOMIC DEPENDENCE**

The Province of BC provided 61% [2020 - 50%] of the Society's revenues. As a result, the Society is economically dependent on the Provincial Government of British Columbia for the funding required to deliver its services and programs.

Provincial government funding is comprised of:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Province of British Columbia - PHSA - Clinics	<b>924,915</b>	924,915
Province of British Columbia - MOH - Sex Sense Program	<b>270,198</b>	265,580
Province of British Columbia - PHSA - HIV & HVC	<b>132,214</b>	140,000
	<b>1,327,327</b>	1,330,495

**11. GRANTS**

Grant revenue is comprised of:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Gaming	<b>107,494</b>	105,000
Other	<b>138,912</b>	68,534
United Way	—	11
	<b>246,406</b>	173,545

**12. FEE FOR SERVICE**

Fee for service is comprised of:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Sale of medical supplies	<b>245,494</b>	290,617
Education training fees	<b>147,615</b>	95,823
Clinic fees and services	<b>5,776</b>	1,454
MSP commissions and fees	—	341
	<b>398,885</b>	388,235

**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2022

**13. DONATIONS AND FUNDRAISING**

Donations and fundraising is comprised of:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Donations in-kind - clinic space [ <i>rent</i> ]	<b>208,502</b>	186,684
Donations in-kind - volunteer hours [ <i>salaries and benefits</i> ]	<b>27,949</b>	20,087
Donations in-kind - clinic supplies [ <i>medical supplies</i> ]	—	5,608
Donations	<b>93,584</b>	31,557
Fundraising events	<b>603</b>	36,692
	<b>330,638</b>	280,628

**14. COMMITMENTS**

The Society has entered into a lease agreement for its Vancouver clinic office clinic from January 1, 2020 to December 31,2024 for which minimum lease payments over the next three years are as follows:

	<b>\$</b>
2023	<b>92,204</b>
2024	<b>95,350</b>
2025	<b>73,339</b>
	<b>260,893</b>

**15. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to financial risks as at March 31, 2022.

**Credit Risk**

The Society is exposed to credit risk with respect to its cash, investments and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash and investments are held by a reputable Canadian financial institution.

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

15. FINANCIAL INSTRUMENTS CONT'D)

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

The Society has interest rate risk on its temporary investments and obligation under lease. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows. The risk is mitigated by the short-term maturity dates as outlines in note 3 and the fixed rate on the capital lease.

16. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration and benefits paid to employees and contractors who are paid \$75,000 or more during the fiscal year. No remuneration was paid to any members of the Board.

Salaries and benefits expense includes:

	2022	2021
Number of employees	1	1
Total remuneration	\$110,439	\$109,968

17. OTHER - COVID-19

During this past year, clinic closures were more than usual due to the competing needs for our staff to work in public health care due to COVID-19. Telehealth continued to be a popular clinic, but staffing the position has also become an issue with system overwhelm and compassion fatigue. The Education team continued to adapt, providing all training, education sessions and workshops online. This year a greater number of youth have received sexual health education than ever before.

During the 2022 fiscal year, the Society claimed \$Nil [2021 - \$19,640] of assistance under the Canada Revenue Agency's temporary wages subsidy for employers program.

## Options for Sexual Health

### SCHEDULE - SEX SENSE PROGRAM

Year ended March 31

	2022	2021
	\$	\$
<b>REVENUE</b>		
Provincial government contracts <i>[note 10]</i>	270,198	265,580
Donations	5,435	2,000
Yukon fee for service	1,000	1,000
Grants	1,292	—
	<b>277,925</b>	<b>268,580</b>
<b>EXPENSES</b>		
Salaries and benefits	202,993	204,282
Advertising and promotion	29,012	27,684
Rent	27,000	27,000
Professional and consulting	10,284	10,284
Office and administration	6,853	6,333
Amortization of capital assets	—	—
	<b>276,142</b>	<b>275,583</b>
<b>Excess of revenue (expenses) for the year</b>	<b>1,783</b>	<b>(7,003)</b>

*See accompanying notes to the financial statements*