
FINANCIAL STATEMENTS

**OPTIONS FOR SEXUAL
HEALTH**

March 31, 2023



INDEPENDENT AUDITOR'S REPORT

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, 2023, 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, 2023, 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, 2023, current assets as at March 31, 2023, and net assets as at April 1 and March 31 for the 2023 year. The 2022 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Tompkins Wozny LLP

Vancouver, Canada
January 22, 2024

Chartered Professional Accountants



Options for Sexual Health

STATEMENT OF FINANCIAL POSITION

As at March 31

	2023	2022
	\$	\$
ASSETS		
Current		
Cash - operating	1,154,521	411,197
- gaming	91,106	105,089
Temporary investments	—	167,697
Accounts receivable <i>[note 3]</i>	111,660	135,323
Inventories	70,510	127,957
Prepaid expenses	16,904	19,329
	1,444,701	966,592
Capital assets <i>[note 4]</i>	12,200	19,688
	1,456,901	986,280
LIABILITIES		
Current		
Accounts payable and accrued liabilities <i>[note 5]</i>	122,082	103,926
Deferred revenue <i>[note 7]</i>	958,941	540,564
Current portion of obligation under capital lease <i>[note 8]</i>	6,188	4,567
	1,087,211	649,057
Obligation under capital lease <i>[note 8]</i>	623	6,811
	1,087,834	655,868
NET ASSETS	369,067	330,412
	1,456,901	986,280

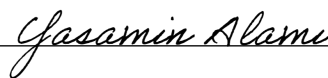
Commitments *[note 13]*

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 \$
2023		<i>[note 2]</i>		
Balance, beginning of year	8,310	35,745	286,357	330,412
Excess of expenses for the year	(8,967)	—	47,622	38,655
Acquisition of capital assets	1,479	—	(1,479)	—
Repayment of capital lease	4,567	—	(4,567)	—
Balance, end of year	5,389	35,745	327,933	369,067
2022				
Balance, beginning of year	(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)	—
Balance, end of year	8,310	35,745	286,357	330,412

See accompanying notes to the financial statements

Options for Sexual Health

STATEMENT OF OPERATIONS

Year ended March 31

	2023	2022
	\$	\$
REVENUE		
Provincial government contracts <i>[note 9]</i>	1,552,160	1,327,327
Fee for service <i>[note 11]</i>	369,140	398,885
Grants <i>[note 10]</i>	349,897	246,406
Donations and fundraising <i>[note 12]</i>	105,764	94,188
Investment income	887	1,993
	2,377,848	2,068,799
EXPENSES		
Salaries contractors and benefits	1,765,534	1,560,264
Medical supplies	264,822	228,405
Rent	115,376	111,335
Advertising and promotion	55,485	38,549
Office and administration	46,395	40,606
Insurance	16,906	12,576
Equipment and leases	16,664	14,647
Delivery	14,677	18,432
Professional and consulting	13,330	20,502
Conference	12,235	—
Amortization of capital assets	8,967	5,725
Fundraising	4,085	172
Interest on capital lease	3,212	4,121
Travel	1,505	716
Training and education	—	11,849
	2,339,193	2,067,899
Excess of revenues (expenses) for the year	38,655	900

See accompanying notes to the financial statements

Options for Sexual Health

STATEMENT OF CASH FLOWS

Year ended March 31

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues (expenses) for the year	38,655	900
Item not affecting cash		
Amortization of capital assets	8,967	5,725
Changes in other non-cash working capital items		
Accounts receivable	23,663	(89,471)
Inventories	57,447	10,723
Prepaid expenses	2,425	3,216
Accounts payable and accrued liabilities	18,156	(14,433)
Deferred revenue	418,377	315,141
Cash provided by operating activities	567,690	231,801
INVESTING ACTIVITIES		
Purchase of capital assets	(1,479)	(20,579)
Net proceeds (purchase) of temporary investments	167,697	(1,639)
Cash (provided by) used in investing activities	166,218	(22,218)
FINANCING ACTIVITIES		
Repayment of capital lease	(4,567)	(3,362)
Cash used in financing activities	(4,567)	(3,362)
Increase in cash during the year	729,341	206,221
Cash, beginning of year	516,286	310,065
Cash, end of year	1,245,627	516,286
Cash consist of:		
Cash - operating	1,154,521	411,197
- gaming	91,106	105,089
	1,245,627	516,286

See accompanying notes to the financial statements



NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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, 2023

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

March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Donations In-kind

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.

The Society accepts donations in the form of goods, services, and rent. Due to the difficulty in determining their fair value, the Society has opted not to record these contributions in its financial statements.

3. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Operations	88,826	115,638
Accrued supplier credit	15,821	11,479
GST receivable	7,013	8,206
	111,660	135,323
Allowance for doubtful accounts	—	—
	111,660	135,323

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
2023			
Computer equipment	14,781	12,093	2,688
Equipment and furniture	4,782	2,752	2,030
Computer software	14,965	7,483	7,482
	34,528	22,328	12,200
2022			
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
	33,048	13,360	19,688

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
	\$	\$
Operations	47,845	30,561
Government remittances - WorkSafeBC	4,454	3,582
Wages, vacation and benefits	69,783	69,783
	122,082	103,926

6. CREDIT FACILITY

The Society has a \$35,000 [2022 - \$35,000] overdraft agreement with a bank with an interest rate of 19.99% per annum. At March 31, 2023 there was no [2022 - Nil] outstanding balance on this facility.

7. DEFERRED REVENUE

	Opening Deferred	Amounts Received	Earned As Revenue	Ending Deferred
	\$	\$	\$	\$
Province of British Columbia - Operating	243,000	1,674,950	1,167,950	750,000
Ministry of Health - Sex Sense	68,808	208,962	206,425	71,345
Province of British Columbia - HIV	27,786	150,000	177,786	—
Gaming	111,506	91,175	105,000	97,681
United Way	742	639	1,381	—
Other	46,487	210,023	239,280	17,230
	498,329	2,335,749	1,897,822	936,256
Teaching programs/courses	42,235	136,342	155,891	22,686
	540,564	2,472,091	2,053,713	958,941

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

8. OBLIGATIONS UNDER CAPITAL LEASE

	2023	2022
	\$	\$
Capital lease for a copier in monthly instalments of \$623, including an effective interest at 31.04% and matures on April 1, 2024.	6,811	11,378
Less: current portion	6,188	4,567
	623	6,811

The future minimum lease payments until maturity are as follows:

		\$
2024		7,483
2025		623
		8,106
Less: imputed interest		1,295
		6,811

9. ECONOMIC DEPENDENCE

The Province of BC provided 65% [2022 - 64%] 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:

	2023	2022
	\$	\$
Province of British Columbia - PHSA - Clinics	1,167,950	924,915
Province of British Columbia - MOH - Sex Sense Program	206,424	270,198
Province of British Columbia - PHSA - HIV & HVC	177,786	132,214
	1,552,160	1,327,327

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

10. GRANTS

Grant revenue is comprised of:

	2023	2022
	\$	\$
Gaming	105,000	107,494
The Houssian Foundation	50,000	—
Vancouver Foundation	30,000	—
Community Living BC	98,450	—
BC Women's Health Foundation	54,833	88,267
Other	11,614	26,588
Central Okanagan Foundation	—	24,057
	349,897	246,406

11. FEE FOR SERVICE

Fee for service is comprised of:

	2023	2022
	\$	\$
Sale of medical supplies	211,422	245,494
Education training fees	155,650	147,615
Clinic fees and services	2,068	5,776
	369,140	398,885

12. DONATIONS AND FUNDRAISING

Donations and fundraising is comprised of:

	2023	2022
	\$	\$
Donations	105,764	93,585
Fundraising events	—	603
	105,764	94,188

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

13. 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 are as follows:

- April 1, 2023 to March 31, 2024: \$95,350
- April 1, 2024 to December 31, 2024: \$73,339

14. 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, 2023.

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.

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.

15. 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. Salaries and benefits expense includes \$115,930 [2022 - \$110,439] paid to one [2022 - one] employee during the year. No remuneration was paid to any members of the Board.

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

16. COMPARATIVE FIGURES

Certain 2022 comparative figures have been reclassified where necessary to conform to the current year's presentation.

Options for Sexual Health

SCHEDULE - SEX SENSE PROGRAM

Year ended March 31

	2023	2022
	\$	\$
REVENUE		
Provincial government contracts <i>[note 9]</i>	206,424	270,198
Donations	—	5,435
Yukon fee for service	—	1,000
Grants	—	1,292
	206,424	277,925
EXPENSES		
Salaries and benefits	161,100	202,993
Advertising and promotion	28,347	29,012
Rent	12,548	27,000
Professional and consulting	854	10,284
Office and administration	—	6,853
Amortization of capital assets	—	—
	202,849	276,142
Excess of revenue for the year	3,575	1,783

See accompanying notes to the financial statements