

**SEXUAL HEALTH OPTIONS,
RESOURCES & EDUCATION CENTRE**

**FINANCIAL STATEMENTS
MARCH 31, 2018**



AUDITOR'S REPORT

To the Directors of Sexual Health Options, Resources & Education Centre

We have audited the accompanying financial statements of Sexual Health Options, Resources & Education Centre, which comprise the balance sheets as at March 31, 2018 and March 31, 2017 and the statements of operations and changes in net assets for the years ended March 31, 2018 and March 31, 2017 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 the 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 of 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 these risk assessments, the auditor considers internal controls 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.

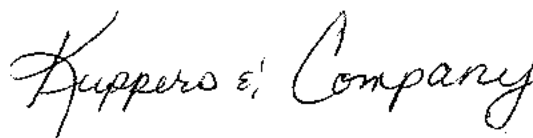
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the entity derives revenue from donations and cash receipts, 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 Organization. We were unable to determine whether any adjustments might be necessary to revenues other than grants, excess of revenue over expense, assets and fund balances.

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 Sexual Health Options, Resources & Education Centre as at March 31, 2018 and March 31, 2017 and the results of its operations and its cash flows for the years ended March 31, 2018 and March 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.



KITCHENER, ONTARIO
June 12, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE


BALANCE SHEET
AS AT MARCH 31, 2018

	ASSETS	
	<u>2018</u>	<u>2017</u>
CURRENT		
Cash		
Unrestricted	\$ 89,880	\$ 61,486
Restricted	119,531	78,497
Investments		
Unrestricted, note 3	75,525	60,739
Accounts receivable, note 4	25,553	18,535
Prepaid expenses	2,045	2,223
	<u>312,534</u>	<u>221,480</u>
CAPITAL ASSETS, note 5	<u>--</u>	<u>--</u>
	<u>\$ 312,534</u>	<u>\$ 221,480</u>

LIABILITIES AND NET ASSETS

CURRENT		
Accounts payable and accrued liabilities, note 6	\$ 31,637	\$ 21,575
Deferred revenue, note 7	119,530	78,497
	<u>151,167</u>	<u>100,072</u>
NET ASSETS		
Unrestricted	161,367	121,408
Restricted	--	--
	<u>161,367</u>	<u>121,408</u>
	<u>\$ 312,534</u>	<u>\$ 221,480</u>

ON BEHALF OF THE BOARD:

 _____ Director

 _____ Director

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Donations	\$ 139,396	\$ 108,779
Government funding	76,875	56,115
Grants and foundations	184,317	153,642
Fees, events and other	4,445	1,627
	<u>405,033</u>	<u>320,163</u>
EXPENDITURES		
Program expenses, schedule 1	49,631	44,331
Salaries and benefits	272,586	233,746
Overhead expenses, schedule 2	42,857	30,341
	<u>365,074</u>	<u>308,418</u>
REVENUES OVER EXPENDITURES BEFORE UNUSUAL ITEMS	39,959	11,745
UNUSUAL ITEMS		
Transfer to The Choices Fund, note 9	<u>--</u>	<u>--</u>
EXCESS REVENUES OVER EXPENDITURES	<u>\$ 39,959</u>	<u>\$ 11,745</u>

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	Unrestricted Funds	Restricted Funds	2018	2017
NET ASSETS, BEGINNING OF YEAR	\$ 121,408	\$ --	\$ 121,408	\$ 109,663
EXCESS REVENUES OVER EXPENDITURES	<u>39,959</u>	<u>--</u>	<u>39,959</u>	<u>11,745</u>
NET ASSETS, END OF YEAR	<u>\$ 161,367</u>	<u>\$ --</u>	<u>\$ 161,367</u>	<u>\$ 121,408</u>

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2018**

1. PURPOSE OF ORGANIZATION

Sexual Health Options, Resources & Education Centre is incorporated without share capital under the laws of the Province of Ontario, is a not-for-profit organization and is a registered charity under the Income Tax Act. The goal of the Organization is to provide education, counselling and access to information in order to promote healthy and responsible sexuality throughout the life cycle.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The following is a summary of significant accounting policies of the Organization:

A) CAPITAL ASSETS

Amortization of capital assets is calculated on a straight-line basis over their estimated useful lives, which is five years for computer equipment, computer software, equipment, furniture and fixtures, and leasehold improvements.

Amortization is recorded at 1/2 the normal rate in the year of acquisition.

B) REVENUE RECOGNITION

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

C) FUND ACCOUNTING

The Organization follows the deferral method of accounting for contributions.

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2018**

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D) INVESTMENTS

Investments are recorded at market.

E) CONTRIBUTED SERVICES

The Organization receives contributions of goods and services from volunteers and donors. The fair market value of these amounts cannot be reasonably determined and therefore are not included in these financial statements.

F) INCOME TAXES

The Organization is a non-profit organization and is not subject to income tax on its earnings.

G) FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency, or credit risks arising from these financial statements.

H) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE

NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2018

3. INVESTMENTS

	<u>2018</u>	<u>2017</u>
GIC with interest at 1.75% maturing June 2022.	\$ 30,525	\$ 30,000
GIC with interest at 0.65% maturing May 2020.	25,000	--
GIC with interest at 1.10% maturing May 2022.	20,000	--
GIC with interest varying from 1.15% in the first year to 1.35% in the third year, maturing May 8, 2017.	--	30,739
	<u>\$ 75,525</u>	<u>\$ 60,739</u>

4. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Accounts receivable are comprised as follows:		
Choice Fund distribution	\$ 7,400	\$ 7,300
Cambridge Community Foundation	3,000	4,850
100 Women donation	10,862	--
United Way donation	--	2,255
HST rebate	3,535	3,483
Interest receivable	756	647
	<u>\$ 25,553</u>	<u>\$ 18,535</u>

5. CAPITAL ASSETS

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Computer equipment	\$ 27,431	\$ 27,431	\$ 27,431	\$ 27,431
Computer software	8,318	8,318	8,318	8,318
	<u>\$ 35,749</u>	<u>\$ 35,749</u>	<u>\$ 35,749</u>	<u>\$ 35,749</u>
Cost less accumulated amortization	<u>\$ --</u>		<u>\$ --</u>	

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE

NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2018

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
Accounts payable and accrued liabilities	\$ 25,883	\$ 17,274
Employee source deductions	5,754	4,301
	<u>\$ 31,637</u>	<u>\$ 21,575</u>

7. DEFERRED REVENUE

During the year, the Organization received funding from various Organizations. Revenue recognized during the year corresponds to the expenses incurred during the year. The balance is recorded as deferred revenue. Any unused funds are returned at the end of the program.

	<u>Opening</u>	<u>Funds Received</u>	<u>Revenue Recognized</u>	<u>Deferred Revenue</u>
Trillium – Health Matters	\$ 32,497	\$ 62,200	\$ 63,738	\$ 30,959
Social Venture Partners	--	17,000	4,250	12,750
City of Cambridge	12,000	14,400	15,866	10,534
Astley Foundation	5,000	--	5,000	--
Trillium – Newcomers	--	33,000	10,416	22,584
Trillium – Sex-Ability	--	30,300	18,504	11,796
KWCF – Sex-Ability	--	31,000	2,370	28,630
Bingo	--	6,442	4,165	2,277
KW Community Foundation	19,000	--	19,000	--
Immigration Partnership	10,000	--	10,000	--
	<u>\$ 78,497</u>	<u>\$ 194,342</u>	<u>\$ 153,309</u>	<u>\$ 119,530</u>

8. COMMITMENTS

Under the terms of an operating lease for rental space, the Organization is committed to make minimum payments as follows over the next five years:

2019	\$ 19,000
2020	19,572
2021	20,168
2022	20,768
2023	21,388

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE**NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2018****9. THE CHOICES FUND**

On October 16, 2002, an agreement was entered into between a donor and the Kitchener Waterloo Community Foundation (KWCF) to establish a permanent donor designated fund within the KWCF to be known as The Choices Fund.

The income in The Choices Fund will be requested by Sexual Health Options, Resources & Education Centre (the Centre) each year on or before March 31st. The Centre will transfer to The Choices Fund all funds received by the Centre, which are designated for The Choices Fund.

Should the Centre cease to exist, and no other charity has been designated to receive such earnings, annual earnings may be used for similar charitable purposes as the Board of Directors of KWCF may determine. The donor wishes for the funds to be used to support work in the area of sexual health. The donor is committed to sexual and reproductive choice and wishes to support informed decision-making based upon information and education.

The Choices Fund forms part of the assets of the KWCF and therefore is not shown on the balance sheet of the Centre.

The balance transferred to The Choices Fund during the 2017 calendar year amounted to \$144 (2016 - \$150). These amounts are reflected in the 2017 and 2016 figures respectively. These amounts, together with other donations received by KWCF resulted in the Fund having a market value of \$195,374 as of December 31, 2017 (\$190,232 as of December 31, 2016).

Disbursements received for the 2017 calendar year amounted to \$7,400. (2016 - \$7,300).

10. STATEMENT OF CASH FLOWS

A statement of cash flows is not considered meaningful because the Organization does not have significant financing and investment activities.

11. RESTATEMENT OF STATEMENTS

Wage costs relating to programs are included under salaries and benefits. \$52,557 of salaries in the prior year has been reallocated from program expenses to salaries and benefits.

SEXUAL HEALTH OPTIONS, RESOURCES & EDUCATION CENTRE

SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
SCHEDULE 1 – PROGRAM EXPENSES		
Program and project expenses	\$ 35,212	\$ 22,096
Office and postage	4,327	3,840
Other	2,720	7,493
Rebranding	3,115	4,985
Travel	413	–
Volunteer and staff support	<u>3,844</u>	<u>5,917</u>
	<u>\$ 49,631</u>	<u>\$ 44,331</u>

Wage costs relating to programs are included under salaries and benefits. See Note 11.

	<u>2018</u>	<u>2017</u>
SCHEDULE 2 – OVERHEAD EXPENSES		
Amortization	\$ –	\$ 396
Audit fee	4,121	4,137
Bank and credit card charges	3,573	2,253
Equipment lease and maintenance	5,123	3,322
Insurance	2,286	2,542
Move	–	1,018
Rent	22,088	13,030
Phone, internet, hosting and software	<u>5,666</u>	<u>3,643</u>
	<u>\$ 42,857</u>	<u>\$ 30,341</u>