

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
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**DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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**To: The Directors of  
Calgary Sexual Health Centre Society**

*Report on the Financial Statements*

We have audited the accompanying financial statements of Calgary Sexual Health Centre Society (the "Society"), which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in fund balances 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 Society'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 Society'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.

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**INDEPENDENT AUDITOR'S REPORT, continued**

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*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Sexual Health Centre Society as at December 31, 2015, and the results of its operations and its cash flows for the year in accordance with Canadian accounting standards for not-for-profit organizations.

**CALGARY, ALBERTA  
MARCH 10, 2016**



*Catalyst LLP*  
**CHARTERED PROFESSIONAL  
ACCOUNTANTS**

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**  
**WITH COMPARATIVE INFORMATION FOR 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 528,715	\$ 226,006
Accounts receivable	18,545	11,585
Prepaid expenses	2,122	10,443
Goods and services tax receivable	11,234	10,875
	560,616	258,909
<b>Capital assets (Note 4)</b>	42,712	46,115
	\$ 603,328	\$ 305,024
<b>Liabilities and fund balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 10,013	\$ 28,317
Salaries payable	4,418	-
Deferred contributions (Note 5)	644,538	370,370
	658,969	398,687
Net equity invested in capital assets	24,447	22,512
Unrestricted net deficit	(80,088)	(116,175)
	(55,641)	(93,663)
	\$ 603,328	\$ 305,024

**Commitments (Note 6)**

Approved on behalf of the Board

  
 \_\_\_\_\_ Treasurer, Board of Directors  
  
 \_\_\_\_\_ President, Board of Directors

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**WITH COMPARATIVE INFORMATION FOR 2014**

	Education	Community Outreach	WiseGuyz	Training Centre	Short Term Projects	2015 Total	2014 Total
<b>Revenue</b>							
Contract funding							
United Way	\$ 407,236	\$ -	\$ 70,000	\$ -	\$ -	\$ 477,236	\$ 422,892
Family and Community Support Services (Note 7)	-	355,800	85,000	-	12,775	453,575	440,800
Anonymous donor	-	-	212,893	-	-	212,893	162,242
Other grants	5,577	-	-	62,698	110,000	178,275	148,476
ACHF	-	-	-	-	76,300	76,300	54,600
Calgary Foundation	6,589	1,250	-	33,750	4,000	45,589	40,644
	<u>419,402</u>	<u>357,050</u>	<u>367,893</u>	<u>96,448</u>	<u>203,075</u>	<u>1,443,868</u>	<u>1,269,654</u>
Other revenue							
Fundraising and donations	62,343	38,801	29,282	-	1,026	131,452	207,374
Casino revenue	44,543	19,094	-	-	-	63,637	20,658
Training & resource centre	2,750	-	-	29,101	25,000	56,851	19,734
	<u>529,038</u>	<u>414,945</u>	<u>397,175</u>	<u>125,549</u>	<u>229,101</u>	<u>1,695,808</u>	<u>1,517,420</u>
<b>Expenditures</b>							
Salaries & benefits - Programs	312,180	182,933	205,164	61,410	110,202	871,889	775,222
Salaries & benefits - Administration	99,715	98,905	26,000	750	38,000	263,370	237,725
Program-specific	12,750	18,125	93,937	34,500	40,331	199,643	102,852
Occupancy	57,515	75,485	32,000	-	7,000	172,000	168,332
General & administrative	17,131	17,870	16,847	6,600	4,751	63,199	62,321
Project development	501	1,000	-	328	27,500	29,329	59,177
Fundraising	4,000	4,000	12,000	-	-	20,000	63,358
Professional development	7,100	7,352	1,186	-	1,317	16,955	18,355
Amortization	8,371	3,032	-	-	-	11,403	12,943
Professional fees	3,500	3,500	3,000	-	-	10,000	10,513
	<u>522,763</u>	<u>412,202</u>	<u>390,134</u>	<u>103,588</u>	<u>229,101</u>	<u>1,657,788</u>	<u>1,510,798</u>
<b>Excess of revenue over expenditures</b>	<u>\$ 6,275</u>	<u>\$ 2,743</u>	<u>\$ 7,041</u>	<u>\$ 21,961</u>	<u>\$ -</u>	<u>\$ 38,020</u>	<u>\$ 6,622</u>

The accompanying notes are an integral part of these financial statements

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**WITH COMPARATIVE INFORMATION FOR 2014**

	Invested in capital assets		Unrestricted	2015	2014
Fund balances (deficiency), beginning of year	\$ 22,512	\$ (116,173)	\$ (93,661)	\$ (100,283)	
Excess (deficiency) of revenue over expenditures	(11,403)	49,423	\$ 38,020	6,622	
Transfers between funds during the year	7,999	(7,999)	-	-	
Fund balances (deficiency), end of year	<u>\$ 19,108</u>	<u>\$ (74,749)</u>	<u>\$ (55,641)</u>	<u>\$ (93,661)</u>	

The accompanying notes are an integral part of these financial statements

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**WITH COMPARATIVE INFORMATION FOR 2014**

	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Excess of revenues over expenditures for the year	\$ 38,020	\$ 6,622
Adjustment for Amortization	11,403	12,943
	49,423	19,565
Change in non-cash working capital items		
Accounts receivable	(6,960)	4,282
Prepaid expenses	8,321	(8,175)
Goods and services tax receivable	(359)	1,840
Accounts payable and accrued liabilities	(18,302)	(8,449)
Salaries payable	4,418	(4,338)
Deferred contributions	274,168	11,360
	310,709	16,085
<b>Cash flows from investing activity</b>		
Purchase of capital assets	(8,000)	(2,285)
	302,709	13,800
<b>Increase in cash</b>	302,709	13,800
<b>Cash, beginning of year</b>	226,006	212,206
<b>Cash, end of year</b>	\$ 528,715	\$ 226,006



**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**WITH COMPARATIVE INFORMATION FOR 2014**

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**1. Nature of operations**

Calgary Sexual Health Centre Society ("the Society") is a non-profit organization operating under the Societies Act of Alberta whose purpose is to offer counseling and education services that help people consider their sexual and reproductive choices in informed and responsible ways.

The Society is incorporated under the Canada Business Corporations Act as a not-for-profit organization and is a registered charitable organization under Section 149(1)(f) of the Income Tax Act and, accordingly, is exempt from income taxes. Therefore, no provision for income taxes is recorded in the financial statements.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Cash**

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at report date.

**(b) Deferred Contributions**

Deferred contributions represents donations received in advance, intended for use with specific programs in the subsequent fiscal year.

**(c) Financial instruments**

**(i) Measurement of financial instruments**

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and salaries payable.

The Society has not designated any financial assets or financial liabilities to be measured at fair value.

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Significant accounting policies, continued**

**(c) Financial instruments, continued**

**(ii) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 operations.

**(d) Fund accounting**

The Society uses fund accounting to represent the core programs that the Society operates and includes: Community Outreach, Education, Wise Guyz, Training Centre and Short Term Projects.

**(e) Revenue recognition**

The Society follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

**(f) Allocated expenses**

The Society engages in education and fundraising activities. The costs of each activity consist of salaries and consulting expenses directly related to the activity.

The Society allocates certain of its salary and consulting expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year.

Management and administration salaries, and consulting expenses are allocated proportionately, based on an estimate of time spent on the activity.

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
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**2. Significant accounting policies, continued**

**(g) Capital assets**

Capital assets are recorded at cost. The Society provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. The annual amortization rates are as follows:

Computer equipment	30%
Office equipment	8%
Furniture and fixtures	20%

The website is amortized on a straight-line basis over five years.

**(h) Impairment of long-lived assets**

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

**(i) Measurement uncertainty**

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 expenditures during the reporting period. The significant area requiring the use of estimates includes deferred contributions and amortization. These estimates are reviewed periodically, and as adjustments become necessary they are reported in operations in the period in which they become known.

**3. Line of credit**

An operating line of credit has been authorized by the bank to a maximum of \$30,000 and bears interest at the bank's prime lending rate plus 5.5%. A general security agreement covering all assets of the Society has been pledged as security. No amount is outstanding on the line of credit as at the year end.

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
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**4. Capital assets**

	<b>2015</b>		<b>2014</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Computer equipment	\$ 88,247	\$ 64,468	\$ 23,779	\$ 24,257
Office equipment	39,329	26,017	13,312	14,469
Website	7,257	2,903	4,354	5,806
Furniture and fixtures	3,092	1,825	1,267	1,583
	<b>\$ 137,925</b>	<b>\$ 95,213</b>	<b>\$ 42,712</b>	<b>\$ 46,115</b>

**5. Deferred contributions**

	<b>Balance, Beginning</b>	<b>Contributions</b>	<b>Contributions Utilized</b>	<b>Balance Ending</b>
Government of Alberta	\$ -	\$ 312,987	\$ -	\$ 312,987
Anonymous WiseGuyz	112,409	200,000	(212,893)	99,516
FCSS Deferred Revenue	88,950	355,800	(355,800)	88,950
WiseGuyz other	-	25,000	-	25,000
United Way WiseGuyz	24,000	-	-	24,000
CPHA	-	65,000	(42,698)	22,302
FCSS WiseGuyz	21,250	85,000	(85,000)	21,250
Calgary Foundation - Technology	23,603	-	(5,339)	18,264
GSA/Fyrefly	6,500	35,000	(26,500)	15,000
Casino	74,921	-	(63,636)	11,285
ACHIF HIV	7,484	74,800	(76,300)	5,984
Innoweave	5,000	2,500	(7,500)	-
Developmental Disability	3,753	30,000	(33,753)	-
Calgary Foundation	2,500	-	(2,500)	-
	<b>\$ 370,370</b>	<b>\$ 1,186,087</b>	<b>\$ (911,919)</b>	<b>\$ 644,538</b>

**CALGARY SEXUAL HEALTH CENTRE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**WITH COMPARATIVE INFORMATION FOR 2014**

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**6. Commitments**

The Society is committed under a lease on premises as well as monthly payments for office equipment leases.

The estimated minimum annual payments, exclusive of occupancy costs, of the above commitments are as follows:

2016	\$ 111,024
2017	111,024
2018	<u>61,569</u>
	<u>\$ 283,617</u>

**7. City of Calgary, Family & Community Support Services**

During 2015, the Society received \$450,800 (2014: \$440,800) from the City of Calgary, Family and Community Support Services. Expenditures were mainly related to salaries and benefits and other expenditures including professional services, transportation, office expenditures, and insurance. In December 2015, the Society received an advance in funding for the first quarter of 2016 for \$110,200 (2014: \$111,521), which has been recognized as a deferred contribution (Note 5).

**8. Financial instruments**

The Society is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Society's exposure to these risks.

(a) 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's main credit risk relates to its accounts receivable.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, operating leases and salaries payable.

There has been no change to the risk exposures from 2014. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant credit risk or other price risks arising from these financial instruments.