

CENTRE FOR SEXUALITY

FINANCIAL STATEMENTS

DECEMBER 31, 2024

CENTRE FOR SEXUALITY
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WITH COMPARATIVE INFORMATION FOR 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Centre for Sexuality

Opinion

We have audited the financial statements of Centre for Sexuality (the "Society"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and the results of its operations, changes in fund balances, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

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 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 ASNPO, 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.
- ♦ 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Baker Tilly Catalyst LLP

**CALGARY, ALBERTA
MARCH 27, 2025**

**CHARTERED PROFESSIONAL
ACCOUNTANTS**

CENTRE FOR SEXUALITY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

	2024	2023
Assets		
Current		
Cash	\$ 1,082,776	\$ 1,232,751
Short-term investment (Note 3)	512,329	418,671
Accounts receivable	206,566	177,692
Prepaid expenses	32,043	59,875
Goods and services tax receivable	13,372	15,493
	<u>1,847,086</u>	<u>1,904,482</u>
Capital assets (Note 4)	172,131	165,170
Intangible assets (Note 5)	337,430	377,359
Security deposit	<u>11,624</u>	<u>11,624</u>
	<u>\$ 2,368,271</u>	<u>\$ 2,458,635</u>
Liabilities and fund balances		
Current		
Accounts payable and accrued liabilities	\$ 103,979	\$ 134,016
Deferred operating contributions (Note 7)	1,339,187	1,466,783
Current portion of deferred capital contributions (Note 7)	86,472	79,950
Current portion of deferred lease inducement (Note 8)	<u>24,325</u>	<u>21,193</u>
	1,553,963	1,701,942
Deferred lease inducement (Note 8)	114,404	84,769
Deferred capital contributions (Note 7)	<u>254,149</u>	<u>301,967</u>
	<u>1,922,516</u>	<u>2,088,678</u>
Fund balances		
Internally restricted reserve (Note 10)	205,835	205,835
Investment in capital assets	168,940	160,611
Unrestricted net surplus	<u>70,980</u>	<u>3,511</u>
	<u>445,755</u>	<u>369,957</u>
	<u>\$ 2,368,271</u>	<u>\$ 2,458,635</u>

Commitments (Note 9)

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of the financial statements

CENTRE FOR SEXUALITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

	2024	2023
Revenue		
Contract funding (Note 7)		
Government of Canada (Schedule 1)	\$ 1,034,324	\$ 1,302,093
Other grants	940,855	520,797
Family and Community Support Services (Note 10)	776,469	692,744
United Way	465,000	465,000
Government of Alberta	367,589	-
City of Calgary	162,400	160,000
PHAC	121,901	131,391
Anonymous donor	37,095	97,888
	<u>3,905,633</u>	<u>3,369,913</u>
Other revenue		
Fundraising and donations (Note 11)	348,271	292,333
Training and resource centre	108,151	124,930
Casino revenue (Note 7)	43,179	33,317
	<u>4,405,234</u>	<u>3,820,493</u>
Expenditures		
Salaries and benefits - Programs	2,649,614	2,331,836
Program specific (Note 11)	387,973	405,725
Project development	308,641	358,240
Salaries and benefits - Administration	273,952	207,254
Occupancy (Note 8)	200,945	160,993
General and administrative	319,733	126,986
Amortization	122,632	76,250
Professional development	38,014	28,869
Professional fees	27,000	25,988
	<u>4,328,504</u>	<u>3,722,141</u>
Other expenditure		
Loss on disposal of capital assets	<u>(932)</u>	<u>(1,114)</u>
Excess of revenue over expenditures	<u>\$ 75,798</u>	<u>\$ 97,238</u>

The accompanying notes are an integral part of the financial statements

CENTRE FOR SEXUALITY
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

	Invested in capital assets	Internally restricted reserve	Unrestricted net surplus (deficit)	2024	2023
Fund balances, beginning of year	\$ 160,611	\$ 205,835	\$ 3,511	\$ 369,957	\$ 272,719
Excess (deficiency) of revenue over expenditures	(36,681)	-	112,479	75,798	97,238
Transfers between funds during the year (Note 12)	45,010	-	(45,010)	-	-
Fund balances, end of year	<u>\$ 168,940</u>	<u>\$ 205,835</u>	<u>\$ 70,980</u>	<u>\$ 445,755</u>	<u>\$ 369,957</u>

The accompanying notes are an integral part of the financial statements

CENTRE FOR SEXUALITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

	2024	2023
Cash flows from operating activities		
Excess of revenues over expenditures for the year	\$ 75,798	\$ 97,238
Adjustments for		
Amortization of capital assets	122,632	76,250
Amortization of deferred lease inducement	(21,976)	(21,193)
Loss on disposal of capital assets	932	1,114
Amortization of deferred capital contributions	(86,882)	1,954
	<u>90,504</u>	<u>155,363</u>
Change in non-cash working capital items		
Accounts receivable	(28,874)	(163,892)
Prepaid expenses	27,832	(36,704)
Accounts payable and accrued liabilities	(30,037)	47,083
Goods and services tax receivable	2,121	(1,388)
Deferred operating contributions	(127,596)	577,283
Additions to leasehold inducements	54,743	-
	<u>(11,307)</u>	<u>577,745</u>
Cash flows from investing activities		
Costs for development of online courses	(45,587)	(277,744)
Purchase of capital assets	(45,010)	(21,464)
Purchase of short-term investments	(512,329)	(418,671)
Proceeds on sale of short-term investments	418,671	550,345
	<u>(184,255)</u>	<u>(167,534)</u>
Cash flows from financing activities		
Contributions received for courses	45,587	234,549
Increase (decrease) in cash	(149,975)	644,760
Cash, beginning of year	<u>1,232,751</u>	<u>587,991</u>
Cash, end of year	<u>\$ 1,082,776</u>	<u>\$ 1,232,751</u>
Cash consists of:		
Cash	\$ 1,039,676	\$ 1,148,296
Restricted cash - casino (Note 7)	43,100	84,455
	<u>\$ 1,082,776</u>	<u>\$ 1,232,751</u>

The accompanying notes are an integral part of the financial statements

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

1. Nature of operations

Centre for Sexuality (the "Society") is a non-profit organization incorporated under the Societies Act of Alberta that provides programs and services that address sexual health issues in a comprehensive way, including sexual health education in schools, individual counselling, and specialized programming for specific populations. The Society also operates a Training Centre, which provides educational workshops to professionals to better equip them to integrate healthy sexuality policy and practice into their work. As a registered charity under section 149(l) of the Income Tax Act, the Society is not subject to the payment of income taxes.

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 year-end, held in chequing accounts in major financial institutions.

(b) 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 at amortized cost.

Financial assets measured at amortized cost include cash, short-term investments, and accounts receivable.

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

The Society has not designated any financial asset or financial liability to be measured at fair value.

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

2. Significant accounting policies, continued

(b) 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.

(c) 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. Revenue from deferred capital contributions is recognized under the applicable grant revenue at the same rate as the corresponding asset is amortized.

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

(d) Capital assets

Capital assets are recorded at cost. The Society provides for amortization using the following methods 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. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Leasehold improvements	Straight-line	5 - 12 years
Computer equipment	Declining balance	30%
Office equipment	Declining balance	8%
Furniture and fixtures	Declining balance	20%
Computer software	Declining balance	100%

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

2. Significant accounting policies, continued

(e) Intangible assets

Intangible assets are online courses and assets under development and are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible assets over their estimated useful lives. Assets under development are not amortized until substantially complete and ready for productive use. The amortization rate is as follows:

Online courses	5 years
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(f) 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.

(g) Deferred lease inducements

Lease incentives received, including rent-free periods and tenant inducements for leasehold improvements, are recognized on a straight-line basis over the term of the lease as a reduction in occupancy expenditures.

(h) Internally restricted reserve

The internally restricted reserve has been put in place by the Board of Directors of the Society to cover any unexpected costs to the Society in order to ensure its continued operations. The funds are internally restricted by means of deposit into Guaranteed Investment Certificates or a savings account as described in Note 3 to these financial statements.

(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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Significant areas requiring the use of estimates include: useful lives of capital and intangible assets and deferred capital contributions. Actual results may differ from management's best estimates as additional information becomes available in the future.

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

2. **Significant accounting policies, continued**

(j) **Contributed services**

A substantial number of volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

3. **Short-term investment**

Short-term investment includes a Guaranteed Investment Certificate ("GIC") held at a major Canadian banking institution, bearing interest at 3.65% per annum, and maturing September 30, 2025.

An internally restricted reserve of \$205,835 is included in the short-term investments, which represents amounts set aside by the Society to fund any unexpected costs that may arise in the future.

4. **Capital assets**

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Leasehold improvements	\$ 319,352	\$ 186,127	\$ 133,225	\$ 117,405
Computer equipment	105,981	76,422	29,559	37,574
Office equipment	42,159	33,646	8,513	9,253
Computer software	4,072	3,408	664	726
Furniture and fixtures	3,092	2,922	170	212
	<u>\$ 474,656</u>	<u>\$ 302,525</u>	<u>\$ 172,131</u>	<u>\$ 165,170</u>

Included in leasehold improvements is \$39,082 of assets under construction. These amounts are not amortized until construction is completed.

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

5. Intangible assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
SRH courses	\$ 462,237	\$ 124,807	\$ 337,430	\$ 353,622
Asset under development	-	-	-	23,737
	<u>\$ 462,237</u>	<u>\$ 124,807</u>	<u>\$ 337,430</u>	<u>\$ 377,359</u>

6. Credit facilities

The Society has credit cards authorized to a combined maximum credit limit of \$240,000, bearing interest at 19.99% per annum.

An operating line of credit has been authorized by the bank to a maximum of \$50,000 and bears interest at the bank's prime lending rate plus 2.5% per annum. 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 (2023 - \$nil).

7. Deferred contributions

	Balance, Beginning	Contributions	Contributions Utilized	Balance, Ending
Deferred operating contributions				
Contract funding	\$ 1,382,328	\$ 3,732,510	\$ (3,818,751)	\$ 1,296,087
Casino	84,455	1,824	(43,179)	43,100
	<u>1,466,783</u>	<u>3,734,334</u>	<u>(3,861,930)</u>	<u>1,339,187</u>
Deferred capital contributions	<u>381,917</u>	<u>45,586</u>	<u>(86,882)</u>	<u>340,621</u>
	<u>\$ 1,848,700</u>	<u>\$ 3,779,920</u>	<u>\$ (3,948,812)</u>	<u>\$ 1,679,808</u>

Income recognized from deferred capital contributions is recorded under the Government of Canada grant revenues.

Deferred capital contributions include \$86,472 (2023 - \$79,950) to be recognized as Government of Canada grant revenues within the next 12 months.

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

8. Deferred lease inducements

In 2017, the Society received \$254,310 of leasehold improvements as an inducement to enter into a lease for office premises. The \$254,310 was recorded as a deferred lease inducement. The deferred lease inducement is being recognized on a straight-line basis over twelve years as a reduction of occupancy costs.

In 2024, the Society entered into an expansion of premises agreement and received \$54,743 as inducements, including \$15,661 of free rent and \$39,082 of tenant improvements. These amounts are recorded as deferred lease inducements, and are being recognized on a straight-line basis over five years as a reduction of occupancy costs.

During the year, \$21,976 (2023 - \$21,192) was amortized against occupancy costs.

	2024	2023
Balance, beginning of year	\$ 105,962	\$ 127,154
Additions	54,743	-
Amortization to reduce occupancy costs	(21,976)	(21,192)
	138,729	105,962
Less: current portion	(24,325)	(21,193)
Balance, end of year	<u>\$ 114,404</u>	<u>\$ 84,769</u>

9. Commitments

The Society is committed under a lease on premises. The estimated minimum annual payments, exclusive of occupancy costs, of these commitments are as follows:

2025	\$ 100,791
2026	107,343
2027	107,343
2028	107,345
2029	110,974
	<u>\$ 533,796</u>

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

10. City of Calgary, Family and Community Support Services

During 2024, the Society recognized \$776,469 (2023 - \$629,344) from the City of Calgary, Family and Community Support Services ("FCSS"). Expenditures were mainly related to salaries and benefits and other expenditures including professional services, transportation, office expenditures, and insurance. \$62,676 (2023 - \$46,505) was recognized from FCSS Airdrie and \$16,800 (2023 - \$16,895) from FCSS Rocky View County for salaries and supplies.

11. Fundraising and donations

As required under Section 7(2) of the Regulations of the Charitable Fundraising Act of Alberta, the Society discloses that the services costs incurred for the purposes of soliciting contributions were \$nil (2023 - \$nil). Salaries paid for the purposes of fundraising were \$nil (2023 - \$nil). The total amount paid as expenditures related to fundraising is disclosed below, along with the donation and fundraising revenues received.

	<u>2024</u>	<u>2023</u>
Donations revenue	\$ 275,013	\$ 242,748
Fundraising revenue	73,258	49,585
	<u>\$ 348,271</u>	<u>\$ 292,333</u>
 Fundraising expenditures	 <u>\$ 86,372</u>	 <u>\$ 92,650</u>

12. Interfund transfers

The unrestricted fund transferred \$45,010 to the capital fund for the purchase of capital assets.

13. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

CENTRE FOR SEXUALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE INFORMATION FOR 2023

14. 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 Company'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, and operating leases.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate financial instruments subject the Society to a fair value risk.

There has been no change to the risk exposures from 2023. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant currency risk or other price risks arising from these financial instruments.

CENTRE FOR SEXUALITY
SCHEDULE OF GOVERNMENT OF CANADA PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2024

	WAGE	ESDC	SRH	Family Ties	2024 Totals
Revenue	\$ 106,494	\$ 176,866	\$ 587,046	\$ 163,918	\$ 1,034,324
Expenditures					
Salaries and benefits					
- Programs	44,275	137,796	387,222	89,209	658,502
Program specific	60,020	26,211	91,339	74,709	252,279
Amortization (Notes 5 and 7)	-	-	86,882	-	86,882
Occupancy	1,290	4,421	17,736	-	23,447
Salaries and benefits					
- Administration	825	6,000	-	-	6,825
General and administrative	84	2,138	3,867	-	6,089
Professional development	-	300	-	-	300
	106,494	176,866	587,046	163,918	1,034,324
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

The SRH project received total funding in the year of \$545,751, for which \$45,587 was capitalized as funding for the SRH courses, and \$86,882 was recognized in revenue in the current year. In addition, amortization of \$85,515 was reported related to contributed online courses, and \$1,368 of amortization was reported related to contributed computer hardware (see Notes 5 and 7).