

**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**ANNUAL FINANCIAL REPORT**

**AS AT DECEMBER 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

To the directors of  
WORLD FEDERATION OF SCIENCE JOURNALISTS

We have audited the accompanying financial statements of WORLD FEDERATION OF SCIENCE JOURNALISTS which comprise the statement of financial position as at December 31, 2014, and the statements of operations and net asset 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 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 from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of 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 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 audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of WORLD FEDERATION OF SCIENCE JOURNALISTS as at December 31, 2014, and the results of its operations and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

*APSV Chartered Professional Accountants inc.*

APSV Chartered Professional Accountants inc.<sup>1</sup>

Montreal, June 3, 2015

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<sup>1</sup> By Caroline Pombert, CPA auditor, CA

**WORLD FEDERATION OF SCIENCE JOURNALISTS**  
**STATEMENT OF OPERATIONS AND NET ASSET**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
	CA\$	CA\$
<b>REVENUES</b>		
Subsidies		
International Development Reseach Center (IDRC)	298,748	216,410
Adessium Foundation	94,125	44,491
Emploi et solidarité sociale - Quebec	9,840	513
Other grants	239,084	100,621
Department for International Development (DFID)	-	227,585
Dutch Ministry of Foreign Affairs (DGIS)	-	158,711
	<u>641,797</u>	<u>748,331</u>
Subscriptions	7,543	5,571
Interests and other revenues	88	651
Donations	60	364
World Conference of Science Journalists	-	30,000
	<u>649,488</u>	<u>784,917</u>
<b>EXPENSES</b>		
Salaries and fringe benefits	187,356	246,552
Travel and lodging	158,295	144,730
Conferences	115,126	68,947
Consultants	57,744	70,500
Professional fees	47,983	77,143
Other perdiem	32,965	83,953
Rent	10,400	26,272
Local travel	5,436	11,255
Taxes, licence and permits	5,128	4,384
Insurance	4,412	4,549
Telecommunication	3,822	4,609
Interests and bank charges	3,170	2,918
Office supplies and expenses	2,484	5,103
Amortization of fixed assets	666	1,096
Miscellaneous	94	40
Exchange loss (gain)	(2,265)	2,987
	<u>632,816</u>	<u>755,038</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	16,672	29,879
<b>UNRESTRICTED NET ASSET, BEGINNING OF YEAR</b>	<u>59,274</u>	<u>29,395</u>
<b>UNRESTRICTED NET ASSET, END OF YEAR</b>	<u><u>75,946</u></u>	<u><u>59,274</u></u>

**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**BALANCE SHEET**

**AS AT DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
	CA \$	CA \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	210,689	162,116
Accounts receivable (Note 3)	61,061	35,714
Prepaid expenses	21,560	26,074
	<u>293,310</u>	<u>223,904</u>
<b>FIXED ASSETS (Note 4)</b>	1,088	1,754
	<u>294,398</u>	<u>225,658</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges (Note 6)	29,074	29,457
Deferred contributions (Note 7)	189,378	136,927
	<u>218,452</u>	<u>166,384</u>
<b>NET ASSET</b>		
<b>UNRESTRICTED</b>	<u>75,946</u>	<u>59,274</u>
	<u>294,398</u>	<u>225,658</u>

COMMITMENT (Note 8)

On behalf of the Board of directors

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Position*

\_\_\_\_\_  
*Position*

**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
	CA \$	CA \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	16,672	29,879
Item not affecting cash:		
Amortization of fixed assets	666	1,096
	<u>17,338</u>	<u>30,975</u>
Net change in non-cash working capital items		
Accounts receivable	(25,347)	35,251
Prepaid expenses	4,514	(24,027)
Accounts payable and accrued charges	(383)	28,325
Deferred contributions	52,451	(243,582)
	<u>31,235</u>	<u>(204,033)</u>
Cash flows from operating activities and increase (decrease) in cash and cash equivalents	48,573	(173,058)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>162,116</u>	<u>335,174</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>210,689</u></u>	<u><u>162,116</u></u>

Cash and cash equivalents are composed of cash.

## WORLD FEDERATION OF SCIENCE JOURNALISTS

### NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

#### 1 - LEGAL STATUS AND NATURE OF ACTIVITIES

WORLD FEDERATION OF SCIENCE JOURNALISTS is a not-for-profit organization formed under part III of the Quebec Companies Act, on April, 27, 2005. It is a registered charity and is exempt from income taxes.

The objectives of the organization are the following:

Subject to the *Loi sur l'enseignement privé (L.R.Q., c. E-9.1)*, establish, maintain, and operate a training centre in science journalism by delivering teaching and educational resources in this area, as well as organizing a mentoring program for students in this domain.

Educate the public by offering courses, seminars, conferences and workshops related to science, technology, and science journalism.

Contribute to the advancement of education by offering study scholarships, prizes, fellowships and any other type of financial support to the community of students in science journalism.

#### 2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been 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 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 and the disclosure of contingencies at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The amounts accounted for and the information provided on the basis of these estimates and assumptions could be different from the actual results.

##### Foreign currency translation

Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at exchange rates in effect at transaction dates. Revenues and expenses in foreign currency are translated at the effective rate, with the exception of amortization and depreciation, which is translated at the historical rate. Gains and losses are included in the earnings for the year.

##### Revenue recognition

The organization follows the deferral method of accounting for subsidies and contributions. Restricted subsidies are recognized as revenue in the year in which the related expenses are incurred. Unrestricted subsidies and contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to fixed assets are deferred and recognized as revenues over the same period as the related fixed assets.

Subscription are recognized as revenues on a straight-line basis over the period covered by the membership.



**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2014**

**2 - SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Fixed assets**

Fixed assets are accounted for at cost. Amortization of fixed assets is based on their useful life using the declining balance method at the following rates:

	<u>Rate</u>
Office furniture and equipment	20%
Computer hardware	40%

**Financial instruments**

The organization initially measures its financial assets and liabilities at fair value. They are subsequently measured at amortized cost. Financial assets measured at amortized cost consists of cash and accounts receivable. Financial liabilities measured at amortized cost consist of accounts payable and accrued charges.

**3 - ACCOUNTS RECEIVABLE**

	<u>2014</u>	<u>2013</u>
	CA\$	CA\$
Grants receivables	51,815	17,823
Sales tax receivable	7,653	16,298
Other receivables	1,593	1,593
	<u>61,061</u>	<u>35,714</u>

**4 - FIXED ASSETS**

	<u>2014</u>		<u>2013</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
	CA \$	CA \$	CA \$	CA \$
Office furniture and equipment	925	786	139	174
Computer hardware	15,433	14,484	949	1,580
	<u>16,358</u>	<u>15,270</u>	<u>1,088</u>	<u>1,754</u>

**5 - CREDIT FACILITIES**

The entity has available credit facilities for CA \$ 50,000 and CA \$ 40,000 credit line on credit cards, renewable annually and respectively bearing interest at 8 %. The organization also has a US \$ 20,000 credit line on credit card bearing interest at 19,4 %.

**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2014**

**6 - ACCOUNTS PAYABLE AND ACCRUED CHARGES**

	<u>2014</u>	<u>2013</u>
	CA \$	CA \$
Accounts payable	19,877	25,042
Government remittances	2,721	4,415
Accrued vacation	6,476	-
	<u>29,074</u>	<u>29,457</u>

**7- DEFERRED CONTRIBUTIONS**

Deferred contributions represent unused resources received during the year and intended to cover expenses of the following year. Change in the balance of the deferred contributions are as follows:

	<u>2013</u>	Amount received	Established as income	<u>2014</u>
	CA \$	CA \$	CA \$	CA \$
Subsidies	<u>136,927</u>	<u>694,248</u>	<u>641,797</u>	<u>189,378</u>

**8 - COMMITMENT**

The organization has entered into a lease, expiring in December 2015 which calls lease payments of \$ 15,000 for the rental of office space.

**9- FINANCIAL INSTRUMENTS**

**Credit risk**

The financial instruments that potentially expose the organization to credit risk are accounts receivable. Accounts receivable balances are managed and analyzed on an ongoing basis and, accordingly, the organization's exposure to doubtful accounts is not significant.

**Foreign exchange risk**

The organization is exposed to foreign exchange risk due to accounts receivable denominated in US dollars. As at December 31, 2014 accounts receivables denominated in US dollars consisted of CA \$ 4,636 (\$ 17,797 in 2013). The organization received approximately 51 % (41% in 2013) of its revenues in foreign currencies (Euros and US dollars). The organization expenses in foreign currencies represents approximately 38 % (45 % in 2013) of the total expenses. The organization does not enter into arrangements to hedge its foreign exchange risk.

**10 - COMPARATIVE FIGURES**

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.