

**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**ANNUAL FINANCIAL REPORT**

**AS AT DECEMBER 31, 2017**

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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, 2017, 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, 2017, 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, May 24, 2018

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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, 2017**

	2017	2016
	CA\$	CA\$
<b>REVENUES</b>		
Subsidies and contributions		
International Development Research Center (IDRC)	232,190	352,875
Other grants	156,086	191,595
Adessium Foundation	80,495	47,175
Fonds de recherche du Québec	8,140	4,000
	<hr/>	<hr/>
	476,911	595,645
World conference of science journalists	127,690	-
Gordon and Betty Moore Fundation	79,882	-
Other donations	10,080	10,010
Subscriptions	8,046	8,331
Interests and other revenues	2,517	1,076
	<hr/>	<hr/>
	705,126	615,062
	<hr/>	<hr/>
<b>EXPENSES</b>		
Salaries and fringe benefits	211,364	216,025
World conference of science journalists	167,975	-
Professional fees	145,269	33,392
Travel and lodging	31,595	172,946
Conferences	18,917	28,758
Rent	17,105	15,450
Exchange loss	16,704	7,861
Telecommunication	9,114	4,485
Other perdiem	6,625	55,611
Consultants	5,311	47,391
Insurance	3,741	5,783
Office supplies and expenses	3,051	4,548
Interests and bank charges	1,440	1,371
Local travel	644	16,797
Miscellaneous	628	9,628
Depreciation of fixed assets	507	509
Taxes, licence and permits	-	4,447
Vaccination	-	411
	<hr/>	<hr/>
	639,990	625,413
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	65,136	(10,351)
UNRESTRICTED NET ASSET, BEGINNING OF YEAR	296,353	306,704
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UNRESTRICTED NET ASSET, END OF YEAR	361,489	296,353
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**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**BALANCE SHEET**

**AS AT DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
	CA \$	CA \$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	403,483	532,291
Accounts receivable (Note 3)	211,839	64,244
Prepaid expenses	<u>14,075</u>	<u>3,390</u>
	629,397	599,925
 FIXED ASSETS (Note 4)	 <u>1,075</u>	 <u>1,045</u>
	<u><u>630,472</u></u>	<u><u>600,970</u></u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued charges (Note 6)	16,002	16,512
Deferred contributions (Note 7)	<u>252,981</u>	<u>288,105</u>
	268,983	304,617
<b>NET ASSET</b>		
UNRESTRICTED	<u>361,489</u>	<u>296,353</u>
	<u><u>630,472</u></u>	<u><u>600,970</u></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, 2017**

	<u>2017</u>	<u>2016</u>
	CA \$	CA \$
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	65,136	(10,351)
Non-cash item :		
Depreciation of fixed assets	<u>507</u>	<u>509</u>
	<u>65,643</u>	<u>(9,842)</u>
Net change in non-cash working capital items		
Accounts receivable	(147,595)	(56,594)
Prepaid expenses	(10,685)	4,688
Accounts payable and accrued charges	(510)	(3,312)
Deferred contributions	<u>(35,124)</u>	<u>(350,966)</u>
	<u>(193,914)</u>	<u>(406,184)</u>
Cash flows used in operating activities	<u>(128,271)</u>	<u>(416,026)</u>
 <b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets and cash flows used in investing activities	<u>(537)</u>	<u>(449)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(128,808)	(416,475)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>532,291</u>	<u>948,766</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>403,483</u></u>	<u><u>532,291</u></u>

Cash and cash equivalents are composed of cash.

# WORLD FEDERATION OF SCIENCE JOURNALISTS

## NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2017

### 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 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, 2017

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

#### Fixed assets

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

	Rate
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

	2017	2016
	CA\$	CA\$
Grants	202,641	59,696
Sales tax	8,148	4,447
Other	1,050	101
	<u>211 839</u>	<u>64 244</u>

### 4 - FIXED ASSETS

	2017		2016
	Cost	Accumulated amortization	Net book value
	CA \$	CA \$	CA \$
Office furniture and equipment	925	854	71
Computer hardware	16,949	15,945	1,004
	<u>17,874</u>	<u>16,799</u>	<u>1,075</u>
			<u>1,045</u>

### 5 - CREDIT FACILITIES

The entity has available credit facilities for CA \$ 90,000 renewable annually and bearing interest at 8,2 % and credit facilities for US \$ 20,000 renewable annually and bearing interest at 19,40 %.

**WORLD FEDERATION OF SCIENCE JOURNALISTS**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2017**

**6 - ACCOUNTS PAYABLE AND ACCRUED CHARGES**

	2017	2016
	CA \$	CA \$
Accounts payable	8,433	9,647
Accrued vacation and salaries	3,970	4,296
Government remittances	3,599	2,569
	<u>16,002</u>	<u>16,512</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:

	2016	Amount received	Established as income	2017
	CA \$	CA \$	CA \$	CA \$
Subsidies and contributions	<u>288,105</u>	<u>441,787</u>	<u>476,911</u>	<u>252,981</u>

**8 - COMMITMENT**

The organization has entered into a lease, expiring in December 2018, which calls minimal payments of \$ 16,391 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, 2017 accounts receivable denominated in US dollars consisted of CA \$ 101,822 (\$ 3,375 in 2016). The organization received approximately 29 % (36 % in 2016) of its revenues in foreign currencies (Euros and US dollars). The organization expenses in foreign currencies represents approximately 23 % (37 % in 2016) of the total expenses. The organization does not enter into arrangements to hedge its foreign exchange risk.