INDEPENDENT PRACTITIONER’S REVIEW ENGAGEMENT REPORT

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INDEPENDENT PRACTITIONER’S REVIEW ENGAGEMENT REPORT

To the Directors of
WORLD FEDERATION OF SCIENCE JOURNALISTS

We have reviewed the accompanying financial statements of WORLD FEDERATION OF SCIENCE JOURNALISTS that comprise the balance sheet as at December 31, 2019, and the statements of operations, changes in net assets 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review
engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of WORLD FEDERATION OF SCIENCE JOURNALISTS as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

APSV Chartered Professional Accountants inc.¹

Montreal, le October 9, 2020
# STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
</tr>
<tr>
<td>Subsidies and contributions</td>
<td></td>
</tr>
<tr>
<td>Grants $ 303,148</td>
<td>$ 282,704</td>
</tr>
<tr>
<td>Fonds de recherche du Québec 5,000</td>
<td>1,650</td>
</tr>
<tr>
<td>Adessium Foundation - 261,464</td>
<td>308,148</td>
</tr>
<tr>
<td>308,148</td>
<td>310,500</td>
</tr>
<tr>
<td>World conference of science journalists 267,943</td>
<td>-</td>
</tr>
<tr>
<td>Subscriptions 7,472</td>
<td>9,049</td>
</tr>
<tr>
<td>Interests and other revenues 6,883</td>
<td>9,107</td>
</tr>
<tr>
<td>Other donations 2,302</td>
<td>5,075</td>
</tr>
</tbody>
</table>
EXPENSES

Salaries and fringe benefits 219,223 159,223 World conference of science journalists 128,366 - Travel and lodging 110,421 75,347 Professional fees 48,587 43,715 Other per diem 44,127 36,115 Conferences 14,891 5,542 Exchange loss (gain) 8,752 (22,608) Rent 6,134 16,382 Office supplies and expenses 5,821 5,477 Local travel 5,174 449 Insurance 4,764 3,023 Telecommunication 4,756 6,924 Interests and bank charges 2,754 1,010 Miscellaneous 1,306 301 Depreciation of fixed assets 1,188 1,093 Consultants - 4,724

606,264 336,717

DEFICIENCY OF REVENUES OVER EXPENSES $ (13,516) $ (2,986) 5

WORLD FEDERATION OF SCIENCE JOURNALISTS

CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2019

2019 2018

BALANCE, BEGINNING OF YEAR $ 358,502 $ 361,488 Deficiency of revenues over expenses (13,516) (2,986)

BALANCE, END OF YEAR $ 344,986 $ 358,502
WORLD FEDERATION OF SCIENCE JOURNALISTS

BALANCE SHEET

AS AT DECEMBER 31, 2019

2019 2018

ASSETS

CURRENT ASSETS

Cash $ 364,055 $ 367,039
Investments 25,024 162,449
Accounts receivable (note 3) 19,460 44,337
Prepaid expenses - 8,500

408,539 582,325

FIXED ASSETS (note 4) 1,782 2,970

410,321 $ 585,295

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued charges (note 6) $ 18,761 $ 3,095
Deferred contributions (note 7) 46,574 223,698

8,500 408,539 582,325

$ 46,574 223,698
NET ASSETS

UNRESTRICTED 344,986 358,502 $ 410,321 $ 585,295

On behalf of the Board of directors,

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WORLD FEDERATION OF SCIENCE JOURNALISTS
CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

2019 2018

OPERATING ACTIVITIES

Deficiency of revenues over expenses $ (13,516) $ (2,986)

Non-cash item:
Depreciation of fixed assets 1,188 1,093 (12,328) (1,893)

Net change in non-cash working capital items:
Accounts receivable 24,877 167,502 Prepaid expenses 8,500 5,575 Accounts payable and accrued charges 15,666 (12,908) Deferred contributions (177,124) (29,283)

(128,081) 130,886
(140,409) 128,993

INVESTING ACTIVITIES

Investment acquisition (disposal) 137,425 (162,449) Acquisition of fixed assets - (2,988)

137,425 (165,437)

DECREASE IN CASH AND CASH EQUIVALENTS (2,984) (36,444) CASH AND CASH EQUIVALENTS, BEGINNING
CASH AND CASH EQUIVALENTS, END OF YEAR $ 364,055 $ 367,039

Cash and cash equivalents consist of cash.
Revenue recognition

Subsidies, contributions and donations
The Organization follows the deferral method of accounting for subsidies, contributions and donations. 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.

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

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WORLD FEDERATION OF SCIENCE JOURNALISTS
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets
Fixed assets are accounted for at cost. Depreciation is calculated on their estimated useful lives using the declining balance method at the following rates:

Rates

Office furniture and equipment 20 % Computer hardware 40 %

Financial instruments

Initial and subsequent measurement
The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.
The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.
Financial assets measured at amortized cost include cash, investments and accounts receivable.
Financial liabilities measured at amortized cost include the accounts payable.

3. ACCOUNTS RECEIVABLE

2019 2018

Accounts receivable $ 17,062 $ 30,149 Others 1,268 3,233 Sales tax 1,130 10,955
$ 19,460 $ 44,337

4. FIXED ASSETS

2019 2018

Accumulated Cost Net Net

Cost depreciation book value book value
5. CREDIT FACILITIES

The entity has available credit facilities for CA $ 50,000 renewable annually and bearing interest at 8.95 % and credit facilities for US $ 20,000 renewable annually and bearing interest at 19.40 %.

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 13,328</td>
<td>$ 1,483</td>
</tr>
<tr>
<td>Government remittances</td>
<td>$ 3,451</td>
<td>$ 1,612</td>
</tr>
<tr>
<td>Accrued vacation and salaries</td>
<td>$ 1,982</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 18,761</strong></td>
<td><strong>$ 3,095</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>Amount Established as</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018 received income</td>
</tr>
<tr>
<td>Subsidies and contributions</td>
<td>$ 203,698</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 223,698</strong></td>
</tr>
</tbody>
</table>

8. FINANCIAL INSTRUMENTS

Credit risk
Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to 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.
WORLD FEDERATION OF SCIENCE JOURNALISTS
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2019

8. FINANCIAL INSTRUMENTS (continued)

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organization is exposed to foreign exchange risk due to accounts receivable denominated in US dollars and Euro. As at December 31, 2019 there was no accounts receivable denominated in Euro ($30,124 in 2018). The Organization received approximately 85% (66% in 2018) of its revenues in foreign currencies (Euros and US dollars). The Organization expenses in foreign currencies represents approximately 42% (24% in 2018) of the total expenses. The organization does not enter into arrangements to hedge its foreign exchange risk.

9. INFORMATION REGARDING THE PANDEMIC

On March 11th, 2020, the World Health Organization announced that the planet is facing a pandemic of COVID-19 coronavirus disease. This event has led to an ever-evolving global mobilization since then, with significant negative repercussions on the global economy and on markets. In Quebec, the state of health emergency and various other containment measures have led to a major slowdown in several economic sectors. In light of this situation, management had to cancel attendance in a number of events. This may lead to adverse effects on their revenue. However, it created additional activities as developing specific programs for journalists to cover the crisis. The Organization is currently unable to assess the other economic and financial impacts of these events on its operations.

10. COMPARATIVE FIGURES
Certain figures for 2018 have been reclassified to make their presentation identical to that adopted in 2019.