

WORLD FEDERATION OF SCIENCE JOURNALISTS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2022

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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, 2022, 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, 2022, 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.

APSV Chartered Professional Accountants inc.¹

Montreal, August 9, 2023

¹ By Caroline Pombert, CPA auditor

WORLD FEDERATION OF SCIENCE JOURNALISTS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUES		
Subsidies and contributions		
Grants	\$ 146,701	\$ 58,930
Fonds de recherche du Québec	34,250	-
Canada Emergency Wage Subsidy	<u>4,037</u>	<u>55,913</u>
	184,988	114,843
Interests and other revenues	2,609	2,129
Subscriptions	2,385	90
Other donations	2,234	2,200
Press cards	<u>773</u>	<u>1,037</u>
	<u>8,001</u>	<u>5,456</u>
	<u>192,989</u>	<u>120,299</u>
EXPENSES		
Salaries and fringe benefits	95,146	145,230
Professional fees	75,203	33,406
Travel and lodging	38,450	21,726
Conferences	26,167	6,463
Local travel	8,224	96
Telecommunication	7,750	25,819
Office supplies and expenses	5,692	7,269
Consultants	3,315	-
Insurance	3,304	3,004
Other per diem	3,163	2,995
Miscellaneous	1,713	62
Interests and bank charges	1,037	570
Depreciation of fixed assets	257	427
Exchange loss	<u>(20,755)</u>	<u>1,953</u>
	<u>248,666</u>	<u>249,020</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (55,677)</u>	<u>\$ (128,721)</u>

WORLD FEDERATION OF SCIENCE JOURNALISTS
CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 63,444	\$ 192,165
Deficiency of revenues over expenses	(55,677)	(128,721)
BALANCE, END OF YEAR	\$ 7,767	\$ 63,444

WORLD FEDERATION OF SCIENCE JOURNALISTS

BALANCE SHEET

AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 348,687	\$ 514,551
Market-linked investment, maturing on october 2023	25,024	-
Accounts receivable (note 3)	733	9,348
Prepaid expenses	<u>20,749</u>	<u>11,041</u>
	<u>395,193</u>	<u>534,940</u>
MARKET-LINKED INVESTMENT, MATURING ON OCTOBER 2023	-	25,024
FIXED ASSETS (note 4)	<u>385</u>	<u>642</u>
	<u>385</u>	<u>25,666</u>
	<u>\$ 395,578</u>	<u>\$ 560,606</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges (note 6)	\$ 11,428	\$ 15,855
Deferred contributions (note 7)	<u>376,383</u>	<u>481,307</u>
	387,811	497,162
NET ASSETS		
UNRESTRICTED	<u>7,767</u>	<u>63,444</u>
	<u>\$ 395,578</u>	<u>\$ 560,606</u>

On behalf of the Board of directors,

WORLD FEDERATION OF SCIENCE JOURNALISTS
CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (55,677)	\$ (128,721)
Non-cash item:		
Depreciation of fixed assets	<u>257</u>	<u>427</u>
	<u>(55,420)</u>	<u>(128,294)</u>
Net change in non-cash working capital items:		
Accounts receivable	8,615	428
Prepaid expenses	(9,708)	(11,041)
Accounts payable and accrued charges	(4,427)	8,343
Deferred contributions	<u>(104,924)</u>	<u>121,324</u>
	<u>(110,444)</u>	<u>119,054</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(165,864)	(9,240)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>514,551</u>	<u>523,791</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 348,687</u>	<u>\$ 514,551</u>

Cash and cash equivalents consist of cash.

WORLD FEDERATION OF SCIENCE JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2022

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 organization applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. 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 currencies 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

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 and press cards

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

WORLD FEDERATION OF SCIENCE JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2022

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

	<u>2022</u>	<u>2021</u>
Sales tax	\$ 733	\$ 1,499
Grants receivable	-	6,886
Accounts receivable	<u>-</u>	<u>963</u>
	<u>\$ 733</u>	<u>\$ 9,348</u>

4. FIXED ASSETS

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Computer hardware	\$ 19,937	\$ 19,552	\$ 385	\$ 642
Office furniture and equipment	<u>925</u>	<u>925</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,862</u>	<u>\$ 20,477</u>	<u>\$ 385</u>	<u>\$ 642</u>

WORLD FEDERATION OF SCIENCE JOURNALISTS
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022

5. CREDIT FACILITIES

The entity has available credit facilities for CA \$ 15,000 renewable annually and bearing interest at 14.95 %.

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 7,843	\$ 3,779
Government remittances	1,862	5,690
Accrued vacation and salaries	<u>1,723</u>	<u>6,386</u>
	<u>\$ 11,428</u>	<u>\$ 15,855</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>2021</u>	Amount received	Established as income	<u>2022</u>
Louise Behan Grant	\$ 20,020	\$ -	\$ -	\$ 20,020
Press cards	502	541	773	270
Kalvi Week 2020	26,554	-	26,554	-
Abel Prize Week 2020	7,090	-	7,090	-
Kalvi Ethics	255,078	-	27,160	227,918
WCSJ 2023	42,926	15,992	-	58,918
Project Spark	<u>129,137</u>	<u>-</u>	<u>59,880</u>	<u>69,257</u>
	<u>\$ 481,307</u>	<u>\$ 16,533</u>	<u>\$ 121,457</u>	<u>\$ 376,383</u>

8. RELATED PARTY TRANSACTIONS

The organization has contracted companies whose sole owners are on the organization's Board of directors. The fees paid to the companies were 1,211 USD (1,538 \$ CAD). For the year ended in 2021, the fees paid to the companies were 967 € (1,392 \$ CAD) and 811 USD (1,028 \$ CAD). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

WORLD FEDERATION OF SCIENCE JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2022

9. 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.

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 received approximately 29 % (52 % in 2021) of its revenues in foreign currencies (Euros and US dollars). The organization expenses in foreign currencies represents approximately 41 % (18 % in 2021) of the total expenses. The organization does not enter into arrangements to hedge its foreign exchange risk.