

THE CANADIAN ASSOCIATION OF JOURNALISTS
FINANCIAL STATEMENTS
DECEMBER 31, 2022

THE CANADIAN ASSOCIATION OF JOURNALISTS

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Members of
The Canadian Association of Journalists

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of The Canadian Association of Journalists, which comprise the statement of financial position as at December 31, 2022, and the statements of operations and 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, except for the possible effects of the matter describe in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of The Canadian Association of 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenues from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Association. Therefore we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenues over expenses and cashflows for the years ended December 31, 2022 and December 31, 2021, current assets as at December 31, 2022 and December 31, 2021, and net assets balances at the beginning and the end of the years ended December 31, 2022 and December 31, 2021. Our audit opinion on the financial statements for the period ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 Canadian Association of Journalists 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Matter

The financial statements of The Canadian Association of Journalists for the year ended December 31, 2021 were prepared internally by management and were not audited.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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:

INDEPENDENT AUDITORS' REPORT (Continued)

- 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 Association'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 Association'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 Association 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.

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.

KRIENS~LAROSE, LLP
KRIENS~LAROSE, LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, ON
August 10, 2023

THE CANADIAN ASSOCIATION OF JOURNALISTS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
	\$	\$ (Note 2)
ASSETS		
CURRENT		
Cash	54,685	117,056
Investments (Note 3)	101,156	100,000
Accounts receivable	1,377	331
Sales tax recoverable	3,102	-
Prepaid expenses	17,352	6,781
	177,672	224,168
EQUIPMENT (Note 4)	2,198	675
	179,870	224,843
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	8,378	2,701
Payroll remittances payable	2,731	-
Deferred grant (Note 5)	16,446	66,150
	27,555	68,851
FUND BALANCES (Note 1)		
Operating Fund	51,159	55,992
Reserve Fund	101,156	100,000
	152,315	155,992
	179,870	224,843

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

_____, Director

_____, Director

THE CANADIAN ASSOCIATION OF JOURNALISTS
STATEMENT OF CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Operating fund \$	Reserve fund \$	Total 2022 \$	Total 2021 \$
Balance, beginning of year	55,992	100,000	155,992	115,974
Excess (deficiency) of revenues over expenses for the year	(4,833)	1,156	(3,677)	40,018
Balance, end of year	51,159	101,156	152,315	155,992

See accompanying notes to the financial statements

THE CANADIAN ASSOCIATION OF JOURNALISTS
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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	2022	2021
	\$	\$ (Note 2)
REVENUES		
Participation fees	63,925	-
Memberships	57,184	61,148
CIRA grant (Note 5)	49,704	18,850
Sponsorships	43,250	-
Grant	10,000	-
Other	5,727	502
Newsletter	-	3,055
National conference	-	2,980
Awards	-	28,500
Interest	-	1,223
	229,790	116,258
EXPENSES		
Wages	86,121	50,497
Program	56,757	10,412
Operations	30,024	3,855
Professional fees	29,169	5,150
Technology	24,774	4,161
Bank fees	4,848	1,921
Amortization	1,774	244
	233,467	76,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	(3,677)	40,018

See accompanying notes to the financial statements

THE CANADIAN ASSOCIATION OF JOURNALISTS
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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	2022	2021
	\$	\$ (Note 2)
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from memberships	56,138	61,148
Cash receipts from awards	-	28,500
Cash receipts from other	5,727	7,760
Cash receipts from grants	10,000	85,000
Cash receipts from sponsorship	43,250	-
Cash receipts from participation fees	63,925	-
Cash paid to suppliers and employees	(236,959)	(77,476)
	(57,919)	104,932
INVESTING ACTIVITIES		
(Purchase) of equipment	(3,296)	-
Net change in investments	(1,156)	(39,571)
	(4,452)	(39,571)
Change in cash	(62,371)	65,361
Cash, beginning of year	117,056	51,695
Cash, end of year	54,685	117,056

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

The Canadian Association of Journalists (the "Association") is a not-for-profit organization that provides advocacy and professional development for journalists across Canada. The Association is dedicated to promoting excellence in journalism. The Canadian Association of Journalists is exempt from income tax in Canada as a not-for-profit entity under Section 149(1) of the Income Tax Act (Canada).

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Association measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash, guaranteed investment certificates and accounts receivable. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

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 disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Significant financial statement items that require the use of estimates is accrued liabilities. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Equipment

Equipment is recorded at cost. Amortization is provided on a straight line basis over the estimated useful life of the asset at the following rates:

Computer equipment	3 years
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Where equipment no longer has any long-term service potential to the Association, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

Revenue Recognition

The Association follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue of the specific fund to which they were given. Unrestricted contributions are recognized as revenue of the Operating Fund. Donations are recorded when received or receivable, if the amount can be reasonably determined and collection is reasonably assured. Pledges receivable are not recorded in the accounts.

Fund Accounting

For financial reporting purposes, the Association's fund balances have been classified as follows:

The Operating Fund comprises amounts that are available for immediate use as determined by the Board of Directors.

The Reserve Fund comprises amounts that are to be used for specific purposes as specified by the Board of Directors

Donated Property and Services

During the year, voluntary services were provided. Because these services are not normally purchased by the Association, and because of the difficulty in determining their fair value, donated services are not recognized in these statements.

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2. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.

3. INVESTMENTS

Investments are summarized as follows:

	2022	2021
	\$	\$
GIC, .61% to 4.4%, maturing March and November, 2023	101,156	100,000

4. EQUIPMENT

	2022		2021	
	Cost	Accumulated	Cost	Accumulated
	\$	\$	\$	\$
Computer equipment	3,296	1,098	2,360	1,685
Net book value	2,198		675	

Continued...

5. CIRA GRANT

The Association received a grant from Canadian Internet Registration Authority (CIRA) in the 2021 fiscal year. The grant is recorded as revenue based on the grant expenditures incurred in the year. The grant expenditures in 2022 were \$49,704 (2021: \$18,850). The December 31, 2022 deferred amount is the portion to be used to fund grant expenditures in the 2023 fiscal year.

The changes in the deferred grants balance is as follows:

	2022	2021
	\$	\$
Balance, beginning of year	66,150	-
Grant received in the the year	-	85,000
Amounts recognized as revenue during the year	(49,704)	(18,850)
<hr/>		
Balance, end of year	16,446	66,150

6. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following presents the Association's risk exposure and concentration as at December 31, 2022.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Association's credit risk would occur with their accounts receivable. Actual exposure to credit losses is minimal. The allowance for doubtful accounts is \$nil (2021: \$nil).

Liquidity Risk

Liquidity risk is the risk the Association will encounter difficulties in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Association expects to meet these obligations as they come due by generating sufficient cash flow from operations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Continued...

6. **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 Association does not have a significant foreign currency risk

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 Association has a low interest rate risk as its investments are GICs.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to other price risk.