

IODINE GLOBAL NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2014

IODINE GLOBAL NETWORK

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Iodine Global Network

We have audited the accompanying financial statements of the Iodine Global Network, which comprise the statement of financial position as at December 31, 2014, 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.

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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 the Iodine Global Network as at December 31, 2014, 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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
March 25, 2015

IODINE GLOBAL NETWORK

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

(in US dollars)

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	2014	2013
REVENUE		
Projects (Note 3)	\$ 320,848	\$ 501,006
AUSAID - Contribution	98,169	242,631
UNICEF	93,193	90,000
Kiwanis International	56,000	57,320
Micronutrient Initiative	47,383	-
GAIN	36,867	13,133
Donations	4,950	674
Interest	3,805	6,214
	661,215	910,978
OPERATING EXPENSES		
Direct project costs (Schedule A)	301,231	401,791
Regional support (Schedule B)	212,136	264,498
Secretariats (Schedule C)	91,496	78,772
Newsletter and Website	66,409	55,025
Annual conference	18,290	29,080
Audit and legal	13,859	7,550
Board meeting	6,820	10,699
Fundraising	6,627	-
Board insurance	2,663	2,814
Bank charges	771	612
	720,302	850,841
	(59,087)	60,137
OTHER ITEMS		
Foreign currency translation loss	(35,580)	(50,147)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES		
	\$ (94,667)	\$ 9,990

IODINE GLOBAL NETWORK

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2014 (in US dollars)

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		Hetzel Award	Unrestricted	2014	2013
BALANCE, BEGINNING OF YEAR	\$	10,000	\$ 364,874	\$ 374,874	\$ 364,884
Excess (deficiency) of revenue over expenses		-	(94,667)	(94,667)	9,990
BALANCE, END OF YEAR	\$	10,000	\$ 270,207	\$ 280,207	\$ 374,874

IODINE GLOBAL NETWORK
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014
(in US dollars)

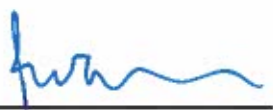
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	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	\$ 528,546	\$ 42,809
Current portion of investments (Note 4)	196,572	439,380
Contribution receivable	21,831	22,297
Accounts receivable (Note 5)	30,243	116,533
Prepaid expenses	2,157	2,495
	779,349	623,514
INVESTMENTS (Note 4)	60,195	-
	\$ 839,544	\$ 623,514
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 45,242	\$ 46,446
Deferred contributions (Note 6)	514,095	202,194
	559,337	248,640
NET ASSETS		
Internal restrictions - Hetzel Award (Note 7)	10,000	10,000
Unrestricted	270,207	364,874
	280,207	374,874
	\$ 839,544	\$ 623,514

Contingencies (Note 10)

ON BEHALF OF THE BOARD

 Director

 Director

IODINE GLOBAL NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

(in US dollars)

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	2014	2013
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (94,667)	\$ 9,990
Net change in non-cash working capital items (Note 8)	397,791	(501,186)
	303,124	(491,196)
INVESTING ACTIVITY		
Net change in investments	182,613	165,828
INCREASE (DECREASE) IN CASH	485,737	(325,368)
CASH, BEGINNING OF YEAR	42,809	368,177
CASH, END OF YEAR	\$ 528,546	\$ 42,809

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

(in US dollars)

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1. STATUTE AND NATURE OF OPERATIONS

The Iodine Global Network, incorporated under the Canada Not-for-profit Corporations Act, is a not-for-profit organization that promotes and supports the elimination of iodine deficiency disorders. It is a registered public foundation and is therefore exempt from income tax under Section 149 of the Income Tax Act. The Organization formally known as the International Council for Control of Iodine Deficiency (ICCIDD), changed its name on September 30, 2014 to Iodine Global Network.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies Canadian accounting standards for not-for-profit organizations (ASNFO) in Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements in compliance with the ASNFO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses for the periods covered. The main estimates relate to the recognition as revenue of funding received for specific projects given that a portion is based on the amount of expenses deemed admissible for the project.

Revenue recognition

The Council follows the deferral method for recognizing revenue from contributions, restricted donations and grants.

Other revenues are recognized when received or receivable.

Foreign currency

The financial statements are prepared using the United States dollar as the reporting currency. The Organization uses the temporal method to translate its foreign currency transactions. All transactions in other currencies during the year have been converted using the exchange rate in effect at the date of the transaction. At year end, monetary items not denominated in United States dollars are translated at the year end exchange rate.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net earnings.

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

(in US dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets measured at amortized cost include cash, investments, contribution receivable and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Organization determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

Transaction costs

The Organization recognizes its transaction costs in net earnings in the period incurred. However, transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of earnings using the straight-line method.

3. PROJECTS REVENUE

	2014	2013
GAIN - Phase II	\$ 117,349	\$ 33,482
UNICEF - Latin America and Caribbean	85,577	43,072
United Arab Emirates	39,815	30,323
GiveWell	27,915	-
GAIN Consultancy	20,000	-
UNICEF - Laos	19,222	43,814
Government of Qatar	10,970	-
CIDA	-	164,512
GAIN / Intertek	-	124,156
UNICEF - Thailand	-	31,688
UNICEF - Vietnam	-	24,325
London Metropolitan University	-	5,634
	\$ 320,848	\$ 501,006

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

(in US dollars)

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4. INVESTMENTS

	2014	2013
Guaranteed Investment Certificates (GIC) - bank's prime rate minus 1.95% maturing between June 2015 and January 2016	\$ 256,767	\$ 439,380
Current portion of investments	196,572	439,380
	\$ 60,195	\$ -

5. ACCOUNTS RECEIVABLE

	2014	2013
Trade accounts	\$ 24,548	\$ 111,016
Sales taxes receivable	5,695	5,517
	\$ 30,243	\$ 116,533

6. DEFERRED CONTRIBUTIONS

	Balance December 31, 2013	Received	Recognized	Balance December 31, 2014
GiveWell	\$ -	\$ 350,788	\$ 27,915	\$ 322,873
UNICEF - Menaro	-	131,000	-	131,000
GAIN Consultancy	-	49,280	20,000	29,280
GAIN / Intertek	17,042	-	-	17,042
UNICEF - Latin America and Caribbean	24,428	68,176	85,577	7,027
United Arab Emirates	25,688	21,000	39,815	6,873
AUSAID	98,169	-	98,169	-
GAIN	36,867	-	36,867	-
	\$ 202,194	\$ 620,244	\$ 308,343	\$ 514,095

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

(in US dollars)

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7. INTERNAL RESTRICTIONS

The Board of Directors of the Organization created the Basil Hetzel Award Fund to honor the achievement of Dr. Basil Hetzel. The Award was created following a special contribution made by Dr. Hetzel. A cash grant of \$2,000 can be awarded to a person or persons who made the most significant public advocacy for the elimination of iodine deficiency disorders.

8. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2014	2013
Accounts receivable	\$ 86,290	\$ (45,035)
Contribution receivable	466	(22,297)
Prepaid expenses	338	122
Accounts payable and accrued liabilities	(1,204)	20,193
Deferred contributions	311,901	(454,169)
	\$ 397,791	\$ (501,186)

9. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization advances money to its partners in the normal course of its operations.

Approximately 70% of the total accounts receivable is to be received from three partners. The Organization considers that no risk arises from that situation.

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. As at December 31, 2014, assets include cash of \$975 and Guaranteed Investment Certificates of \$298,590 (2013: \$14,880 and \$470,000) in Canadian dollars, which have been converted into US dollars.

10. CONTINGENCIES

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

IODINE GLOBAL NETWORK

ADDITIONAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2014

(in US dollars)

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	2014	2013
SCHEDULE A - DIRECT PROJECT COSTS		
GAIN - Phase II	\$ 117,379	\$ 33,482
UNICEF - Latin America and Caribbean	85,577	43,072
GiveWell	27,915	-
United Arab Emirates	25,815	30,323
GAIN Consultancy	20,000	-
UNICEF - Laos	14,529	43,814
Government of Qatar	10,016	-
London Metropolitan University	-	3,783
UNICEF - Thailand	-	24,519
GAIN / Intertek	-	92,466
UNICEF - Vietnam	-	19,313
CIDA	-	111,019
	\$ 301,231	\$ 401,791

SCHEDULE B - REGIONAL SUPPORT

Africa	\$ 49,772	\$ 51,502
China and Eastern Asia	31,000	28,000
South East Asia	29,791	38,000
Eastern Europe	23,313	27,926
Gulf	21,612	45,393
Europe	21,000	18,499
Latin America	20,712	29,035
Asia Pacific	14,936	26,143
	\$ 212,136	\$ 264,498

SCHEDULE C - SECRETARIATS

Ottawa	\$ 46,893	\$ 49,187
Executive Director	44,603	29,585
	\$ 91,496	\$ 78,772