

**INTERNATIONAL COUNCIL FOR CONTROL OF
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

FINANCIAL STATEMENTS

DECEMBER 31, 2013

**INTERNATIONAL COUNCIL FOR CONTROL OF
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

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INDEPENDENT AUDITOR'S REPORT

To the Members of
International Council for Control of Iodine Deficiency Disorders /
Conseil international pour le contrôle des troubles dus à la déficience en iode

We have audited the accompanying financial statements of International Council for Control of Iodine Deficiency Disorders / Conseil international pour le contrôle des troubles dus à la déficience en iode, which comprise the statement of financial position as at December 31, 2013, 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.

Marcil Lavallée

Comptables professionnels agréés
Chartered Professional Accountants

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BHD | Nos partenaires canadiens et internationaux
IAPA | Our Canadian and International Partners

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of International Council for Control of Iodine Deficiency Disorders / Conseil international pour le contrôle des troubles dus à la déficience en iode as at December 31, 2013, 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 20, 2014

**INTERNATIONAL COUNCIL FOR CONTROL OF
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

(in US dollars)

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| | 2013 | 2012 |
|--|-----------------|------------------|
| REVENUE | | |
| Projects (Note 3) | \$ 501,006 | \$ 443,750 |
| AUSAID - Contribution | 242,631 | 348,871 |
| UNICEF | 90,000 | - |
| Kiwanis International | 57,320 | 30,680 |
| GAIN | 13,133 | - |
| Interest | 6,214 | 5,244 |
| Donations | 674 | 3,815 |
| Member donations | - | 5,000 |
| | 910,978 | 837,360 |
| OPERATING EXPENSES | | |
| Direct project costs (Schedule A) | 401,791 | 430,800 |
| Regional support (Schedule B) | 264,498 | 249,741 |
| Secretariats (Schedule C) | 78,772 | 53,660 |
| Newsletter and Website | 55,025 | 50,087 |
| Annual conference | 29,080 | 14,096 |
| Board meeting | 10,699 | 30,680 |
| Audit and legal | 7,550 | 9,252 |
| Board insurance | 2,814 | 354 |
| Bank charges | 612 | 775 |
| Fundraising | - | 377 |
| Travel | - | 2,372 |
| | 850,841 | 842,194 |
| | 60,137 | (4,834) |
| OTHER REVENUE | | |
| Foreign currency translation gain (loss) | (50,147) | 18,893 |
| EXCESS OF REVENUE OVER EXPENSES | \$ 9,990 | \$ 14,059 |

**INTERNATIONAL COUNCIL FOR CONTROL OF
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013
(in US dollars)**

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| | Hetzel Award | Unrestricted | 2013 Total | 2012 Total |
|---------------------------------------|-------------------------|---------------------|-----------------------|-----------------------|
| BALANCE, BEGINNING OF YEAR | \$ 10,000 | \$ 354,884 | \$ 364,884 | \$ 350,825 |
| Excess of revenue over expenses | - | 9,990 | 9,990 | 14,059 |
| BALANCE, END OF YEAR | \$ 10,000 | \$ 364,874 | \$ 374,874 | \$ 364,884 |

**INTERNATIONAL COUNCIL FOR CONTROL OF
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

(in US dollars)

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| | 2013 | 2012 |
|--|-------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 42,809 | \$ 368,177 |
| Term deposits, between 1.80% and 1.85%, maturing between June and December 2014 | 439,380 | 605,208 |
| Contribution receivable | 22,297 | - |
| Accounts receivable (Note 4) | 116,533 | 71,498 |
| Prepaid expenses | 2,495 | 2,617 |
| | \$ 623,514 | \$ 1,047,500 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 46,446 | \$ 26,253 |
| Deferred contributions (Note 5) | 202,194 | 656,363 |
| | 248,640 | 682,616 |
| NET ASSETS | | |
| Hetzel Award (Note 7) | 10,000 | 10,000 |
| Unrestricted | 364,874 | 354,884 |
| | 374,874 | 364,884 |
| | \$ 623,514 | \$ 1,047,500 |

ON BEHALF OF THE BOARD

_____, Director

_____, Director

**INTERNATIONAL COUNCIL FOR CONTROL OF
IODINE DEFICIENCY DISORDERS**

**CONSEIL INTERNATIONAL POUR LE CONTRÔLE
DES TROUBLES DUS À LA DÉFICIENCE EN IODE**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

(in US dollars)

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| | 2013 | 2012 |
|---|------------------|-------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 9,990 | \$ 14,059 |
| Net change in non-cash working capital items (Note 8) | (501,186) | 337,801 |
| | (491,196) | 351,860 |
| INVESTING ACTIVITY | | |
| Change in term deposits | 165,828 | (407,083) |
| DECREASE IN CASH | (325,368) | (55,223) |
| CASH, BEGINNING OF YEAR | 368,177 | 423,400 |
| CASH, END OF YEAR | \$ 42,809 | \$ 368,177 |

INTERNATIONAL COUNCIL FOR CONTROL OF IODINE DEFICIENCY DISORDERS

CONSEIL INTERNATIONAL POUR LE CONTRÔLE DES TROUBLES DUS À LA DÉFICIENCE EN IODE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

(in US dollars)

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1. STATUTE AND NATURE OF OPERATIONS

The International Council for Control of Iodine Deficiency / Conseil international pour le contrôle des troubles dus à la déficience en iode is a not-for-profit organization that promotes and supports the elimination of iodine deficiency disorders. The Council has been incorporated under the provisions of Part II of the Canada Corporations Act in 1999 and commenced its operations in April 2001. It is a registered public foundation and is therefore exempt from income tax under Section 149 of the Income Tax Act. The Council operates under the name of ICCIDD Global Network.

2. SIGNIFICANT ACCOUNTING POLICIES

The Council has elected to apply Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting.

Use of estimates

The preparation of financial statements in compliance with the ASNFPO 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 date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual amounts could differ from these estimates.

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 Council 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. As at year end, monetary items not denominated in United States dollars are translated at the year end exchange rate.

INTERNATIONAL COUNCIL FOR CONTROL OF IODINE DEFICIENCY DISORDERS

CONSEIL INTERNATIONAL POUR LE CONTRÔLE DES TROUBLES DUS À LA DÉFICIENCE EN IODE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

(in US dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement of financial instruments

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

The Council 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.

Financial assets measured at amortized cost include cash, term deposits 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 Council 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 Council 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 effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

(in US dollars)

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3. PROJECTS REVENUE

| | 2013 | 2012 |
|------------------------------------|-------------------|-------------------|
| CIDA | \$ 164,512 | \$ 216,305 |
| GAIN / Intertek | 124,156 | 184,991 |
| UNICEF - Laos | 43,814 | - |
| UNICEF - Latin America & Caribbean | 43,072 | - |
| GAIN Phase II | 33,482 | - |
| UNICEF - Thailand | 31,688 | - |
| UNICEF - Vietnam | 24,325 | - |
| United Arab Emirates | 30,323 | 42,454 |
| London Metropolitan University | 5,634 | - |
| | \$ 501,006 | \$ 443,750 |

4. ACCOUNTS RECEIVABLE

| | 2013 | 2012 |
|------------------------|-------------------|------------------|
| Accounts receivable | \$ 111,016 | \$ 65,809 |
| Sales taxes receivable | 5,517 | 5,689 |
| | \$ 116,533 | \$ 71,498 |

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

(in US dollars)

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5. DEFERRED CONTRIBUTIONS

| | Balance Deferred December 31, 2012 | Received | Recognized | Balance Deferred December 31, 2013 |
|---------------------------------------|---|-------------------|-------------------|---|
| AUSAID | \$ 340,800 | \$ - | \$ 242,631 | \$ 98,169 |
| United Arab Emirates | 7,011 | 49,000 | 30,323 | 25,688 |
| GAIN / Intertek | 36,720 | 104,478 | 124,156 | 17,042 |
| CIDA | 164,512 | - | 164,512 | - |
| Kiwanis International | 57,320 | - | 57,320 | - |
| UNICEF | 50,000 | 40,000 | 90,000 | - |
| GAIN | - | 50,000 | 13,133 | 36,867 |
| UNICEF - Latin America & Caribbean | - | 67,500 | 43,072 | 24,428 |
| | \$ 656,363 | \$ 310,978 | \$ 765,147 | \$ 202,194 |

6. LETTER OF GUARANTEE

As at December 31, 2013, the Council had a letter of guarantee of \$56,000 outstanding with the Government of the United Arab Emirates pertaining to a contract for work being performed by the Council. The letter of guarantee will be revoked upon successfully fulfilling the terms of the contract. The letter of guarantee expires on June 4, 2014.

7. INTERNAL RESTRICTIONS

The Board of Directors of the Council 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.

INTERNATIONAL COUNCIL FOR CONTROL OF IODINE DEFICIENCY DISORDERS

CONSEIL INTERNATIONAL POUR LE CONTRÔLE DES TROUBLES DUS À LA DÉFICIENCE EN IODE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

(in US dollars)

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8. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

| | 2013 | 2012 |
|--|--------------|-------------|
| Accounts receivable | \$ (45,035) | \$ (18,640) |
| Contribution receivable | (22,297) | - |
| Prepaid expenses | 122 | (2,477) |
| Accounts payable and accrued liabilities | 20,193 | 4,823 |
| Deferred contributions | (454,169) | 354,095 |
| | \$ (501,186) | \$ 337,801 |

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 Council's main credit risks relate to its accounts receivable. The Council advances money to its partners in the normal course of its operations.

Approximately 84% of the total accounts receivable is to be received from four partners. The Council 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, 2013, assets include cash of \$14,880 and term deposits of \$470,000 (2011: \$237,046 and \$603,326) in Canadian dollars, which have been converted into US dollars.

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ADDITIONAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2013

(in US dollars)

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| | 2013 | 2012 |
|--|-------------------|-------------------|
| SCHEDULE A - DIRECT PROJECT COSTS | | |
| CIDA | \$ 111,019 | \$ 216,305 |
| GAIN / Intertek | 92,466 | 184,991 |
| Unicef - Laos | 43,814 | - |
| UNICEF - Latin America and Caribbean | 43,072 | - |
| GAIN - Phase II | 33,482 | - |
| United Arab Emirates | 30,323 | 29,504 |
| UNICEF - Thailand | 24,519 | - |
| UNICEF - Vietnam | 19,313 | - |
| London Metropolitan University | 3,783 | - |
| | \$ 401,791 | \$ 430,800 |

SCHEDULE B - REGIONAL SUPPORT

| | | |
|------------------------|-------------------|-------------------|
| Africa | \$ 51,502 | \$ 34,292 |
| Gulf | 45,393 | 27,000 |
| South East Asia | 38,000 | 27,000 |
| Latin America | 29,035 | 30,022 |
| China and Eastern Asia | 28,000 | 40,839 |
| Eastern Europe | 27,926 | 21,588 |
| Asia Pacific | 26,143 | 42,000 |
| Europe | 18,499 | 27,000 |
| | \$ 264,498 | \$ 249,741 |

SCHEDULE C - SECRETARIATS

| | | |
|--------------------|------------------|------------------|
| Ottawa | \$ 49,187 | \$ 51,469 |
| Executive Director | 29,585 | 2,191 |
| | \$ 78,772 | \$ 53,660 |