

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Financial Statements
Year Ended March 31, 2015

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
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Year Ended March 31, 2015

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LYLE TILLEY DAVIDSON

Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the Members of Atlantic Council For International Cooperation

We have audited the accompanying financial statements of Atlantic Council For International Cooperation, which comprise the statement of financial position as at March 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

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Independent Auditor's Report to the Members of Atlantic Council For International Cooperation
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Atlantic Council For International Cooperation as at March 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Halifax, Nova Scotia
June 5, 2015



CHARTERED ACCOUNTANTS


ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION


Statement of Financial Position

March 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 135,486	\$ 53,352
Accounts receivable (Note 3)	-	60,553
Harmonized sales tax receivable	4,881	15,159
Prepaid expenses	-	504
	<u>\$ 140,367</u>	<u>\$ 129,568</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,987	\$ 4,128
Employee deductions payable	4,862	3,487
Deferred income	16,888	-
	<u>31,737</u>	<u>7,615</u>
NET ASSETS		
Unrestricted net assets	38,630	121,953
Internally restricted net assets (Note 4)	70,000	-
	<u>108,630</u>	<u>121,953</u>
	<u>\$ 140,367</u>	<u>\$ 129,568</u>

ON BEHALF OF THE BOARD

 Director

 Director

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Statement of Revenues and Expenditures

Year Ended March 31, 2015

	2015	2014
REVENUE		
Project revenue		
Connecting with Canadians initiative	\$ 274,738	\$ -
Public engagement	-	320,295
International youth internship program	-	240,451
Project overhead	34,995	48,832
Other revenue		
Federal summer student grants	3,161	3,218
Provincial summer student grants	4,165	-
Other	18,098	19,326
	<u>335,157</u>	<u>632,122</u>
EXPENSES		
Project expenses		
Connecting with Canadians initiative	274,738	-
Public engagement	10,969	320,295
International youth internship	-	240,451
Project overhead	34,995	33,348
Other expenses		
Federal summer students	3,161	3,218
Provincial summer students	4,165	-
Other	20,452	3,043
	<u>348,480</u>	<u>600,355</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (13,323)	\$ 31,767

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Statement of Changes in Net Assets

Year Ended March 31, 2015

	Unrestricted Net Assets	Internally Restricted Net Assets	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 121,953	\$ -	\$ 121,953	\$ 90,186
Deficiency of revenue over expenses	(13,323)	-	(13,323)	31,767
Transfer	(70,000)	70,000	-	-
NET ASSETS - END OF YEAR	\$ 38,630	\$ 70,000	\$ 108,630	\$ 121,953

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Statement of Cash Flow
Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (13,323)	\$ 31,767
Changes in non-cash working capital:		
Accounts receivable	60,553	(44,545)
Harmonized sales tax receivable	10,278	(2,195)
Accounts payable and accrued liabilities	5,859	(3,671)
Deferred income	16,888	-
Prepaid expenses	504	1,633
Employee deductions payable	1,375	(1,882)
	<u>95,457</u>	<u>(50,660)</u>
INCREASE (DECREASE) IN CASH FLOW	82,134	(18,893)
Cash - beginning of year	<u>53,352</u>	<u>72,245</u>
CASH - END OF YEAR	\$ 135,486	\$ 53,352

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Notes to Financial Statements

Year Ended March 31, 2015

NATURE OF OPERATIONS

Atlantic Council For International Cooperation (the "organization") is a not-for-profit organization from which no part of the income is payable or available for the personal benefit of any member; accordingly, the organization is exempt from income tax under the Income Tax Act.

The Atlantic Council For International Cooperation is a coalition of individuals, organizations, and institutions working in the Atlantic region, which are committed to achieving global sustainability in a peaceful and healthy environment, with social justice, human dignity, and participation for all. The organization supports its members in international cooperation and education through collective leadership, networking, information, training and coordination, and represents their interests when dealing with government and others.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

Atlantic Council For International Cooperation follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. No donated goods were received in either the current or prior year.

Administration expense

The administration portion of the Department of Foreign Affairs Trade and Development contract is included in revenue under project overhead. Upon receipt of funds, the balance is deferred and transferred into income as related expenses are incurred.

Allocation of operating expenses

Operating expenses are allocated to projects directly as they are incurred under the specific project. Expenses that relate to the projects generally, but do not relate to a specific project are classified as project overhead. Expenses that do not relate to the projects are classified as other expenses.

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ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Notes to Financial Statements

Year Ended March 31, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant estimate is allowance for doubtful accounts.

Capital assets

Non-profit organizations are required to capitalize and amortize capital assets if total revenue exceeds an average of \$500,000 over a period of two years. The organization capitalizes and amortizes significant capital asset additions when made. No significant additions have been made in either the current year or prior years.

2. **FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Financial instruments consists of cash, accounts receivable and accounts payable and accrued liabilities. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from donors and contributors. Due to the nature of the revenue, the concentration of credit risk has been minimized.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources and accounts payable.

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 risk: currency risk, interest rate risk and other price risk. The organization is not exposed to significant market risk.

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Notes to Financial Statements

Year Ended March 31, 2015

3. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Department of Foreign Affairs, Trade and Development - Public Engagement	\$ -	\$ 47,091
Department of Foreign Affairs, Trade and Development - International Youth Internship Program	-	12,512
Other	-	950
	<u>\$ -</u>	<u>\$ 60,553</u>

4. INTERNALLY RESTRICTED NET ASSETS

During the year the Board of Directors approved to transfer unrestricted net assets of \$70,000 to internally restricted assets; \$20,000 to an operational reserve fund and \$50,000 to a restricted reserve fund. The operational reserve fund will be used to fund new project costs for the period before actual project funds have been received. The restricted reserve fund is to be used to cover costs in the event of the organization having to discontinue operations.