

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Financial Statements
Year Ended March 31, 2016

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
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Year Ended March 31, 2016

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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, 2016 and the statements of revenues and expenditures, 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 Atlantic Council For International Cooperation as at March 31, 2016 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.

Gyle Tilley Davidson

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

Halifax, Nova Scotia
May 24, 2016

CHARTERED ACCOUNTANTS


ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

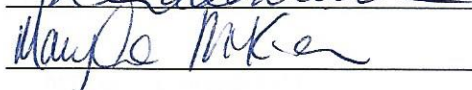
Statement of Financial Position

March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 254,662	\$ 135,486
Harmonized sales tax receivable	5,956	4,881
	\$ 260,618	\$ 140,367
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,048	\$ 9,987
Employee deductions payable	5,194	4,862
Deferred revenue	87,067	16,888
	123,309	31,737
NET ASSETS		
Unrestricted net assets	65,943	38,630
Internally restricted net assets (Note 3)	71,366	70,000
	137,309	108,630
	\$ 260,618	\$ 140,367

ON BEHALF OF THE BOARD

 Director

 Director

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Statement of Revenues and Expenditures

For the Year Ended March 31, 2016

	2016	2015
REVENUE		
Project revenue		
Connecting with Canadians initiative	\$ 314,623	\$ 274,738
Connecting with Canadians overhead	36,539	34,995
ACIC contributions to Connecting with Canadians	4,012	-
International youth internship program	254,340	-
International youth internship program overhead	30,521	-
Other revenue		
Federal summer student grants	2,968	3,161
Provincial summer student grants	4,214	4,165
Heritage Canada grant	1,770	-
Other	18,087	18,098
	<u>667,074</u>	<u>335,157</u>
EXPENDITURES		
Project expenditures		
Connecting with Canadians initiative	318,635	274,738
Connecting with Canadians overhead	24,439	34,995
International youth internship program	254,340	-
International youth internship program overhead	30,521	-
Public engagement	-	10,969
Other expenditures		
Federal summer students	2,968	3,161
Provincial summer students	4,214	4,165
Heritage Canada grant	1,770	-
Other	1,508	20,452
	<u>638,395</u>	<u>348,480</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 28,679	\$ (13,323)

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Statement of Changes in Net Assets

Year Ended March 31, 2016

	Unrestricted Net Assets	Internally restricted Net Assets	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 38,630	\$ 70,000	\$ 108,630	\$ 121,953
Excess (deficiency) of revenue over expenditures	28,679	-	28,679	(13,323)
Interest income	(1,366)	1,366	-	-
NET ASSETS - END OF YEAR	\$ 65,943	\$ 71,366	\$ 137,309	\$ 108,630

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

**Statement of Cash Flows
Year Ended March 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 28,679	\$ (13,323)
Changes in non-cash working capital:		
Accounts receivable	-	60,553
Harmonized sales tax receivable	(1,075)	10,278
Accounts payable and accrued liabilities	21,061	5,859
Deferred revenue	70,179	16,888
Prepaid expenses	-	504
Employee deductions payable	332	1,375
	<u>90,497</u>	<u>95,457</u>
INCREASE IN CASH FLOW	119,176	82,134
Cash - beginning of year	<u>135,486</u>	<u>53,352</u>
CASH - END OF YEAR	\$ 254,662	\$ 135,486

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Notes to Financial Statements

Year Ended March 31, 2016

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 (ASNFPO).

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued, except for related party transactions which are recorded at the exchange amount. 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.

Cash

Cash consists of cash on hand and amount held in Canadian financial institutions..

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.

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

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.

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 and accrued liabilities.

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. The Council's financial instruments consist of cash, accounts payable and accrued liabilities and employee deductions payable. The financial statements consist of the following analysis provides information about the organization's risk exposure and concentration as of March 31, 2016.

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 funders. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Credit risk is minimal due to the nature of revenue.

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 funders 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.

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ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Notes to Financial Statements

Year Ended March 31, 2016

2. FINANCIAL INSTRUMENTS *(continued)*

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

3. INTERNALLY RESTRICTED NET ASSETS

During a prior 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. Interest earned is to be maintained in the internally restricted net assets.