

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**

**Financial Statements**

**Year Ended March 31, 2017**

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

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Year Ended March 31, 2017

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2017 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.

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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, 2017 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.

Halifax, Nova Scotia  
June 9, 2017

  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**

**Statement of Financial Position**

**March 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 143,454	\$ 254,662
Accounts receivable	36,704	-
Harmonized sales tax receivable	14,474	5,956
Prepaid expenses	650	-
	<u>\$ 195,282</u>	<u>\$ 260,618</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 33,724	\$ 30,214
Employee deductions payable	6,291	5,194
Deferred revenue	-	87,067
	<u>40,015</u>	<u>122,475</u>
<b>NET ASSETS</b>		
Unrestricted net assets	82,537	66,777
Internally restricted net assets (Note 3)	72,730	71,366
	<u>155,267</u>	<u>138,143</u>
	<u>\$ 195,282</u>	<u>\$ 260,618</u>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2017**

	2017	2016
<b>REVENUES</b>		
<b>Project revenue</b>		
Connecting with Canadians initiative	\$ 306,632	\$ 314,623
Connecting with Canadians overhead	35,885	36,539
ACIC contributions to connecting with Canadians	5,200	4,012
International youth internship program	378,467	254,340
International youth internship program overhead	45,440	30,521
<b>Other revenue</b>		
Federal summer student grant	3,745	2,968
Provincial summer student grant	-	4,214
Heritage Canada grant	-	1,770
Other	12,649	18,087
	<u>788,018</u>	<u>667,074</u>
<b>EXPENDITURES</b>		
<b>Project expenditures</b>		
Connecting with Canadians initiative	311,890	318,635
Connecting with Canadians overhead	32,515	24,439
International youth internship program	378,666	254,340
International youth program overhead	31,596	30,521
<b>Other expenditures</b>		
Federal summer students	3,745	2,968
Provincial summer students	-	4,214
Heritage Canada grant	-	1,770
Other	12,482	1,508
	<u>770,894</u>	<u>638,395</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 17,124</b>	<b>\$ 28,679</b>

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2017**

	Unrestricted Net Assets	Internally Restricted Net Assets	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 66,777	\$ 71,366	\$ 138,143	\$ 109,464
Excess of revenues over expenses	17,124	-	17,124	28,679
Interest income	(1,364)	1,364	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 82,537	\$ 72,730	\$ 155,267	\$ 138,143



**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**

**Statement of Cash Flows**

**Year Ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 17,124	\$ 28,679
Changes in non-cash working capital:		
Accounts receivable	(36,704)	-
Harmonized sales tax receivable	(8,518)	(1,075)
Accounts payable and accrued liabilities	3,510	21,061
Deferred revenue	(87,067)	70,179
Prepaid expenses	(650)	-
Employee deductions payable	1,097	332
	<u>(128,332)</u>	<u>90,497</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(111,208)</b>	<b>119,176</b>
Cash - beginning of year	<u>254,662</u>	<u>135,486</u>
<b>CASH - END OF YEAR</b>	<b>\$ 143,454</b>	<b>\$ 254,662</b>



# ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

## Notes to Financial Statements

Year Ended March 31, 2017

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### 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 transactions with related parties 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 includes cash and term deposits. Term deposits are valued at cost plus accrued interest.

#### 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. Restricted contributions are recorded as deferred revenue when received and recognized as their related expenses are incurred.

#### 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.

#### Overhead expense

The overhead portion of project contracts is included in revenue under project overhead. Upon receipt of these funds, the balance is deferred and transferred into income as related overhead 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.

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.

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. The most significant estimate is accrued liabilities. Actual results could differ from these estimates.

**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 organization's financial instruments consist of accounts receivable, accounts payable and accrued liabilities, and deferred revenue. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2017.

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, accounts payable and deferred revenue.

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, 2017

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**3. INTERNALLY RESTRICTED NET ASSETS**

Internally restricted assets consist of \$20,000 included in an operational reserve fund and \$50,000 in 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.