

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Financial Statements
Year Ended March 31, 2018

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
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Year Ended March 31, 2018

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LYLE TILLEY DAVIDSON
Chartered Professional 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, 2018 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, 2018 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.

A handwritten signature in black ink that reads "Gyle Willey Davidson". The signature is written in a cursive, flowing style.

Halifax, Nova Scotia
May 24, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Statement of Financial Position
March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 139,592	\$ 143,454
Accounts receivable	771	36,704
Harmonized sales tax receivable	19,816	14,474
Prepaid expenses	-	650
	\$ 160,179	\$ 195,282
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,135	\$ 33,724
Employee deductions payable	3,850	6,291
	15,985	40,015
NET ASSETS		
Unrestricted net assets	44,839	82,537
Internally restricted net assets (Note 3)	99,355	72,730
	144,194	155,267
	\$ 160,179	\$ 195,282

ON BEHALF OF THE BOARD

_____ Director

_____ Director

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Statement of Revenues and Expenditures
Year Ended March 31, 2018

	2018	2017
REVENUE		
Project revenue		
Connecting with Canadians initiative	\$ 310,799	\$ 306,632
Connecting with Canadians overhead	37,296	35,885
ACIC contributions to connecting with Canadians	3,500	5,200
International youth internship program	-	378,467
International youth internship program overhead	-	45,440
Other revenue		
Federal summer student grant	4,236	3,745
Other	11,682	12,649
	<u>367,513</u>	<u>788,018</u>
EXPENDITURES		
Project expenditures		
Connecting with Canadians initiative	305,044	311,890
Connecting with Canadians overhead	44,176	32,515
International youth internship program	-	378,666
International youth program overhead	-	31,596
Other expenditures		
Federal summer students	4,236	3,745
Other	25,130	12,482
	<u>378,586</u>	<u>770,894</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (11,073)	\$ 17,124

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Statement of Changes in Net Assets
Year Ended March 31, 2018

	Unrestricted Net Assets	Internally Restricted Net Assets	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 82,537	\$ 72,730	\$ 155,267	\$ 138,143
Excess (deficiency) of revenue over expenditures	(12,698)	1,625	(11,073)	17,124
Purchase of investments	(25,000)	25,000	-	-
NET ASSETS - END OF YEAR	\$ 44,839	\$ 99,355	\$ 144,194	\$ 155,267

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Statement of Cash Flows

Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (11,073)	\$ 17,124
Changes in non-cash working capital:		
Accounts receivable	35,933	(36,704)
Harmonized sales tax receivable	(5,342)	(8,518)
Accounts payable and accrued liabilities	(21,589)	3,510
Deferred revenue	-	(87,067)
Prepaid expenses	650	(650)
Employee deductions payable	(2,441)	1,097
	<u>7,211</u>	<u>(128,332)</u>
DECREASE IN CASH FLOW	(3,862)	(111,208)
Cash - beginning of year	<u>143,454</u>	<u>254,662</u>
CASH - END OF YEAR	\$ 139,592	\$ 143,454

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Notes to Financial Statements

Year Ended March 31, 2018

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, 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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ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Notes to Financial Statements

Year Ended March 31, 2018

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 cash, accounts receivable, accounts payable and accrued liabilities. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2018.

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.

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, 2018

3. INTERNALLY RESTRICTED NET ASSETS

Internally restricted assets consist of \$35,000 included in an operational reserve fund and \$60,000 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.