ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Financial Statements

Year Ended March 31, 2025

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Index to Financial Statements

Year Ended March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Atlantic Council For International Cooperation

Opinion

We have audited the financial statements of Atlantic Council For International Cooperation (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lyle Tilley Davidson

Halifax, Nova Scotia
June 11, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Statement of Financial Position
March 31, 2025

		2025		2024
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**696,164**	$	975,202
Accounts receivable		**135,015**		27,011
Harmonized sales tax receivable		**21,558**		20,015
Prepaid expenses		**960**		-
		853,697		1,022,228
LONG-TERM INVESTMENTS *(Note 4)*		**74,125**		60,332
	$	**927,822**	$	1,082,560
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	**$**	**52,072**	$	95,647
Employee deductions payable		**18,159**		29,850
Deferred revenue *(Note 5)*		**304,238**		506,087
		374,469		631,584
NET ASSETS				
Unrestricted net assets		**420,958**		331,625
Internally restricted net assets *(Note 6)*		**132,395**		119,351
		553,353		450,976
	$	**927,822**	$	1,082,560

LEASE COMMITMENTS *(Note 7)*

ON BEHALF OF THE BOARD

_________________________________ *Director*

_________________________________ *Director*

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Statement of Revenues and Expenditures
Year Ended March 31, 2025

	2025	2024
REVENUE		
Project revenue		
Inspiring Action for Global Citizenship	$ 619,833	$ 623,275
Resilient Youth, Supported Inclusion, Network Growth	475,728	15,358
Inter-Council Network	439,095	465,487
Spur Change	35,080	24,200
International Internship for Indigenous Youth	-	197,004
Other revenue		
Other	17,084	18,117
Summer students	4,588	10,094
	1,591,408	1,353,535
EXPENDITURES		
Project expenditures		
Inspiring Action for Global Citizenship *(Schedule 1)*	583,328	600,312
Resilient Youth, Supported Inclusion, Network Growth *(Schedule 4)*	446,741	17,722
Inter-Council Network *(Schedule 2)*	415,785	445,839
Spur Change *(Schedule 5)*	33,764	23,501
International Internship for Indigenous Youth *(Schedule 3)*	-	197,004
Other expenditures		
Other	3,691	12,192
Summer students	5,722	10,350
	1,489,031	1,306,920
EXCESS OF REVENUE OVER EXPENDITURES	$ 102,377	$ 46,615

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Statement of Changes in Net Assets

Year Ended March 31, 2025

	Unrestricted Net Assets	Internally Restricted Net Assets	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 331,625	$ 119,351	**$ 450,976**	$ 404,361
Excess of revenue over expenditures	89,333	13,044	**102,377**	46,615
NET ASSETS - END OF YEAR	$ 420,958	$ 132,395	**$ 553,353**	$ 450,976

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenditures	**$ 102,377**	$ 46,615
Changes in non-cash working capital:		
Accounts receivable	**(108,004)**	(17,928)
Harmonized sales tax receivable	**(1,543)**	5,812
Accounts payable and accrued liabilities	**(43,575)**	20,282
Deferred revenue	**(201,849)**	32,630
Prepaid expenses	**(960)**	2,204
Employee deductions payable	**(11,691)**	(13,882)
	(367,622)	29,118
Cash flow from (used by) operating activities	**(265,245)**	75,733
INVESTING ACTIVITY		
Long term Investments	**(13,793)**	(49,152)
INCREASE (DECREASE) IN CASH FLOW	**(279,038)**	26,581
Cash and cash equivalents - beginning of year	**975,202**	948,621
CASH AND CASH EQUILVALENTS - END OF YEAR	**$ 696,164**	$ 975,202
CASH AND CASH EQUILVALENTS CONSISTS OF:		
Cash	**$ 656,398**	$ 925,923
Guaranteed investment certificates	**39,766**	49,279
	$ 696,164	$ 975,202

1. NATURE OF THE ORGANIZATION

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 Organization 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.

2. 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

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 and cash equivalents

Cash includes cash on hand and deposits within Canadian financial institutions, net of outstanding transactions and term deposits that mature within one year. Term deposits are valued at cost plus accrued interest. Term deposits that mature beyond one year are included in long-term investments.

The term deposits included in cash and cash equivalents mature between April 8, 2025 and March 28, 2026 with annual interest rates of 2.80% to 4.55%.

Capital assets

Not-for-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.

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.

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

Overhead

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.

Allocation of operating expenditures

Operating expenditures are allocated to projects directly as they are incurred under the specific project. Expenditures that relate to the projects generally, but do not relate to a specific project are classified as project overhead. Expenditures 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. Significant estimates included in the financial statements are accrued liabilities. Actual results could differ from these estimates.

3. 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 and cash equivalents, accounts receivable, long-term investments and accounts payable and accrued liabilities. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2025.

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 and accrued liabilities.

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.

4. LONG-TERM INVESTMENTS

Long-term investments consist of two guaranteed investment certificates that mature April 8, 2027 and earn annual interest of 3.45% & 4.05%. The guaranteed investment certificates are recorded at principal value plus accrued interest.

5. DEFERRED REVENUE

	2025	2024
Inter-Council Network	$ 221,053	$ 120,825
Inspiring Action for Global Citizenship	83,185	19,963
Resilient Youth, Supported Inclusion, Network Growth	-	365,299
	$ 304,238	$ 506,087

6. INTERNALLY RESTRICTED NET ASSETS

Internally restricted assets consists 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.

7. LEASE COMMITMENTS

The Organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2025, are as follows:

2026	$ 13,223

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Inspiring Action for Global Citizenship *(Schedule 1)*

Year Ended March 31, 2025

	2025	2024
EXPENDITURES		
Accounting and legal	**$ 6,816**	$ 6,858
Advertising and promotion	**8,595**	7,577
Bank charges and interest	**736**	1,724
Consulting fees	**1,211**	12,255
Dues, memberships and fees	**2,618**	2,562
General and administrative	**1,840**	6,920
Insurance	**497**	1,091
Meetings and conventions	**23,512**	20,249
Office and supplies	**7,627**	3,515
Rent	**8,385**	12,012
Telephone and internet	**2,560**	1,540
Training	**12,717**	11,735
Travel	**55,516**	83,826
Wages and benefits	**450,698**	428,448
TOTAL EXPENDITURES	**$ 583,328**	$ 600,312

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

Inter-Council Network ***(Schedule 2)***

Year Ended March 31, 2025

	2025	2024
EXPENDITURES		
Accounting and legal	**$ 6,678**	$ 6,420
Advertising and promotion	**15,437**	4,086
Bank charges and interest	**958**	640
Consulting fees	**3,364**	6,519
Dues, memberships and fees	**2,487**	2,314
General and administrative	**5,124**	2,743
Insurance	**-**	1,050
Meetings and conventions	**105**	18,210
Office and supplies	**1,117**	2,336
Rent	**9,675**	12,335
Telephone and internet	**1,783**	1,820
Training	**350**	4,090
Travel	**135,912**	137,066
Wages and benefits	**232,795**	246,210
TOTAL EXPENDITURES	**$ 415,785**	$ 445,839

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

International Internship for Indigenous Youth *(Schedule 3)*

Year Ended March 31, 2025

	2025	2024
EXPENDITURES		
Accounting and legal	$ -	$ 5,734
Advertising and promotion	-	162
Bank charges and interest	-	50
Dues, memberships and fees	-	655
General and administrative	-	6,630
Meetings and conventions	-	4,453
Rent	-	2,096
Telephone and internet	-	260
Travel	-	72,924
Wages and benefits	-	104,040
TOTAL EXPENDITURES	$ -	$ 197,004

ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION
Resilient Youth, Supported Inclusion, Network Growth *(Schedule 4)*
Year Ended March 31, 2025

		2025		2024
EXPENDITURES				
Accounting and legal	**$**	**6,175**	$	2,989
Advertising and promotion		**434**		27
Bank charges and interest		**1,413**		-
Consulting fees		**1,851**		-
Dues, memberships and fees		**1,720**		-
General and administrative		**7,480**		-
Insurance		**-**		774
Meetings and conventions		**8,126**		-
Office and supplies		**1,993**		1,000
Rent		**8,382**		-
Stipends		**109,820**		-
Telephone and internet		**35**		-
Training		**583**		118
Travel		**205,952**		1,311
Wages and benefits		**92,777**		11,503
TOTAL EXPENDITURES	**$**	**446,741**	$	17,722

Spur Change

(Schedule 5)

Year Ended March 31, 2025

		2025		2024
EXPENDITURES				
Advertising and promotion	**$**	**20,824**	$	10,525
General and administrative		**-**		162
Travel		**1,974**		6,987
Wages and benefits		**10,966**		5,827
TOTAL EXPENDITURES	**$**	**33,764**	$	23,501