

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**  
**Financial Statements**  
**Year Ended March 31, 2021**

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**  
**Index to Financial Statements**  
**Year Ended March 31, 2021**

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**LYLE TILLEY DAVIDSON**  
Chartered Professional Accountants

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2021, 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, 2021, 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.



Halifax, Nova Scotia  
June 15, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**  
**Statement of Financial Position**  
**March 31, 2021**

|   | 2021              | 2020              |
|---|-------------------|-------------------|
| <b>ASSETS</b>                             |                   |                   |
| <b>CURRENT</b>                            |                   |                   |
| Cash and cash equivalents                 | \$ 553,862        | \$ 374,903        |
| Accounts receivable                       | 16,912            | 15,860            |
| Harmonized sales tax receivable           | 30,066            | 24,162            |
|   | 600,840           | 414,925           |
| <b>LONG TERM INVESTMENTS (Note 3)</b>     | <b>56,514</b>     | <b>55,624</b>     |
|   | <b>\$ 657,354</b> | <b>\$ 470,549</b> |
| <b>LIABILITIES AND NET ASSETS</b>         |                   |                   |
| <b>CURRENT</b>                            |                   |                   |
| Accounts payable and accrued liabilities  | \$ 36,803         | \$ 52,808         |
| Employee deductions payable               | 6,675             | 12,328            |
| Deferred revenue (Note 4)                 | 361,694           | 189,946           |
|   | 405,172           | 255,082           |
| <b>NET ASSETS</b>                         |                   |                   |
| Unrestricted net assets                   | 148,738           | 113,300           |
| Internally restricted net assets (Note 5) | 103,444           | 102,167           |
|   | 252,182           | 215,467           |
|   | <b>\$ 657,354</b> | <b>\$ 470,549</b> |

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
  
 \_\_\_\_\_ Director

LYLE TILLEY DAVIDSON

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2021**

|   | 2021             | 2020             |
|---|------------------|------------------|
| <b>REVENUE</b>                                    |                  |                  |
| <b>Project revenue</b>                            |                  |                  |
| Inspiring Action for Global Citizenship           | \$ 470,105       | \$ 423,334       |
| Inter-Council Network                             | 202,180          | 207,679          |
| International Internship for Indigenous Youth     | 114,915          | 330,243          |
| Youth engagement on sustainable development goals | -                | 48,052           |
| Connecting with Canadians initiative              | -                | 7,752            |
| The Youth Weavers Photovoice project              | 9,800            | -                |
| Spur change                                       | 2,215            | -                |
| <b>Other revenue</b>                              |                  |                  |
| Other   | 12,516           | 37,868           |
| Government summer students                        | 11,926           | 10,834           |
|   | <u>823,657</u>   | <u>1,065,762</u> |
| <b>EXPENDITURES</b>                               |                  |                  |
| <b>Project expenditures</b>                       |                  |                  |
| Inspiring Action for Global Citizenship           | 444,610          | 406,519          |
| Inter-Council Network                             | 201,126          | 203,609          |
| International Internship for Indigenous Youth     | 114,915          | 328,911          |
| Youth engagement on sustainable development goals | -                | 49,572           |
| Connecting with Canadians initiative              | -                | 9,718            |
| The Youth Weavers Photovoice project              | 9,800            | -                |
| Spur change                                       | 1,826            | -                |
| <b>Other expenditures</b>                         |                  |                  |
| Government summer students                        | 11,926           | 10,834           |
| Other   | 2,739            | 17,861           |
|   | <u>786,942</u>   | <u>1,027,024</u> |
| <b>EXCESS OF REVENUE OVER EXPENDITURES</b>        | <b>\$ 36,715</b> | <b>\$ 38,738</b> |

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2021**

|                                       | Unrestricted<br>Net Assets | Internally<br>Restricted<br>Net Assets | <b>2021</b>       | 2020              |
|---------------------------------------|----------------------------|--|-------------------|-------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b> | \$ 113,300                 | \$ 102,167                             | <b>\$ 215,467</b> | \$ 176,729        |
| Excess of revenue over expenditures   | 35,438                     | 1,277                                  | <b>36,715</b>     | 38,738            |
| <b>NET ASSETS - END OF YEAR</b>       | <b>\$ 148,738</b>          | <b>\$ 103,444</b>                      | <b>\$ 252,182</b> | <b>\$ 215,467</b> |

**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION****Statement of Cash Flows****Year Ended March 31, 2021**

|  | <b>2021</b>       | <b>2020</b> |
|--|-------------------|-------------|
| <b>OPERATING ACTIVITIES</b>                    |                   |             |
| Excess of revenue over expenditures            | <b>\$ 36,715</b>  | \$ 38,738   |
| Changes in non-cash working capital:           |                   |             |
| Accounts receivable                            | <b>(1,052)</b>    | (12,056)    |
| Harmonized sales tax receivable                | <b>(5,904)</b>    | 6,584       |
| Accounts payable and accrued liabilities       | <b>(16,005)</b>   | 24,921      |
| Deferred revenue                               | <b>171,748</b>    | 98,695      |
| Prepaid expenses                               | <b>-</b>          | 400         |
| Employee deductions payable                    | <b>(5,653)</b>    | 5,906       |
|  | <b>143,134</b>    | 124,450     |
| Cash flow from operating activities            | <b>179,849</b>    | 163,188     |
| <b>INVESTING ACTIVITY</b>                      |                   |             |
| Long term investments                          | <b>(890)</b>      | (55,624)    |
| <b>INCREASE IN CASH FLOW</b>                   | <b>178,959</b>    | 107,564     |
| Cash and cash equivalents - beginning of year  | <b>374,903</b>    | 267,339     |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b> | <b>\$ 553,862</b> | \$ 374,903  |



# ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

## Notes to Financial Statements

Year Ended March 31, 2021

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### 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.

### 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

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.

#### 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 year.

#### 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.

#### 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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**ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**1. 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 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. Significant estimates included in the financial statements are 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 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, 2021.

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.

**3. LONG TERM INVESTMENTS**

Long term investments consist of a guaranteed investment certificate that matures April 8, 2023, earns annual interest of 1.60% and is recorded at principal value plus accrued interest.

# ATLANTIC COUNCIL FOR INTERNATIONAL COOPERATION

## Notes to Financial Statements

Year Ended March 31, 2021

### 4. DEFERRED REVENUE

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| Youth Engagement on Sustainable Development Goals | \$ 99,994         | \$ -              |
| International Internship for Indigenous Youth     | 89,238            | 56,545            |
| Inspiring Action for Global Citizenship           | 90,772            | 36,397            |
| Inter-Council Network                             | <u>81,690</u>     | <u>97,004</u>     |
|   | <u>\$ 361,694</u> | <u>\$ 189,946</u> |

### 5. 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.

### 6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

### 7. COVID-19

Beginning in March 2020 the Governments of Canada and Nova Scotia, as well as foreign governments instituted emergency measures as a result of the COVID-19 virus. The virus has had a major impact on Canadian and international securities and currency markets and consumer activity which may impact the Organization's financial position, its results of operations and its cash flows significantly. As these are on-going events, these financial statements do not reflect any potential future impact. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Organization as at the report date.