

**ACTION COALITION ON HUMAN  
TRAFFICKING ALBERTA**

**Financial Statements**

**For The Year Ended March 31, 2021**

---

## INDEPENDENT AUDITORS' REPORT

---

To the Members of Action Coalition on Human Trafficking Alberta

### *Qualified Opinion*

We have audited the financial statements of Action Coalition on Human Trafficking Alberta (ACT Alberta), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of ACT Alberta as at March 31, 2021, 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.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, ACT Alberta derives revenue from donations and fundraising and promotion, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of ACT Alberta and we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenues over expenses, current assets or net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of ACT Alberta in accordance with the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 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.

In preparing the financial statements, management is responsible for assessing ACT Alberta's ability to continue as a going concern, disclosing, as applicable, matters relating 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 (the Board) are responsible for overseeing ACT Alberta's financial reporting process.

(continues)



*Auditors' 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 auditors' 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 ACT Alberta'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 ACT Alberta's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause ACT Alberta 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.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
September 15, 2021

**ACTION COALITION ON HUMAN TRAFFICKING ALBERTA****Statement of Financial Position****As at March 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents ( <i>Note 2</i> )	\$ 310,558	\$ 222,115
Accounts receivable	388	2,258
Goods and Services Tax recoverable	2,884	3,838
Prepaid expenses	5,922	3,089
	<u>\$ 319,752</u>	<u>\$ 231,300</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities ( <i>Note 3</i> )	\$ 24,960	\$ 22,737
Deferred contributions ( <i>Note 4</i> )	85,187	74,707
	<u>110,147</u>	<u>97,444</u>
<b>NET ASSETS</b>		
Unrestricted net assets	149,424	73,675
Internally restricted net assets ( <i>Note 5</i> )	60,181	60,181
	<u>209,605</u>	<u>133,856</u>
	<u>\$ 319,752</u>	<u>\$ 231,300</u>

**ON BEHALF OF THE BOARD:**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

The accompanying notes are an integral part of these financial statements.

**ACTION COALITION ON HUMAN TRAFFICKING ALBERTA****Statement of Operations****For The Year Ended March 31, 2021**

	2021	2020
<b>REVENUE</b>		
Grants ( <i>Note 4</i> )	\$ 466,345	\$ 633,514
Donations	37,649	71,918
Interest income	1,225	410
Fundraising and promotion	-	2,274
	<b>505,219</b>	<b>708,116</b>
<b>EXPENSES</b>		
Salaries, wages and benefits	269,666	495,971
Contracted services	42,076	23,013
Rent and facility expenses	40,275	33,257
Office	21,540	21,692
Professional fees	11,675	9,616
Accounting	9,953	8,225
Travel	9,700	24,148
Telephone	7,050	7,664
Promotions	5,308	9,288
Education	4,444	19,719
Training and development	3,186	10,334
Insurance	2,366	2,478
Victim assistance	1,197	21,339
Bank charges	1,034	733
Volunteer appreciation	-	525
	<b>429,470</b>	<b>688,002</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 75,749</b>	<b>\$ 20,114</b>

The accompanying notes are an integral part of these financial statements.

**ACTION COALITION ON HUMAN TRAFFICKING ALBERTA****Statement of Changes in Net Assets****For The Year Ended March 31, 2021**

	Unrestricted Net Assets	Internally Restricted Net Assets (Note 5)	2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 73,675	\$ 60,181	<b>\$ 133,856</b>	\$ 113,742
Excess of revenue over expenses	75,749	-	<b>75,749</b>	20,114
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 149,424</b>	<b>\$ 60,181</b>	<b>\$ 209,605</b>	<b>\$ 133,856</b>

The accompanying notes are an integral part of these financial statements.

**ACTION COALITION ON HUMAN TRAFFICKING ALBERTA****Statement of Cash Flows****For The Year Ended March 31, 2021**

	<b>2021</b>	2020
<b>OPERATING ACTIVITY</b>		
Excess of revenue over expenses	\$ 75,749	\$ 20,114
Changes in non-cash working capital:		
Accounts receivable	1,870	21,043
Goods and Services Tax recoverable	954	491
Prepaid expenses	(2,833)	1,977
Accounts payable and accrued liabilities	2,223	(9,499)
Deferred contributions	10,480	(322,575)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>88,443</b>	<b>(288,449)</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>222,115</u>	510,564
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Note 2)</b>	<u><b>\$ 310,558</b></u>	<u>\$ 222,115</u>

The accompanying notes are an integral part of these financial statements.

# ACTION COALITION ON HUMAN TRAFFICKING ALBERTA

## Notes to Financial Statements

For the Year Ended March 31, 2021

---

### NATURE OF OPERATIONS

Action Coalition on Human Trafficking Alberta (ACT Alberta) is a registered charity operating in the Province of Alberta and is exempt from income tax. ACT Alberta was incorporated December 29, 2010 under the *Societies Act of Alberta* for the purpose of identifying and responding to human trafficking in Alberta.

---

### 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.

#### Revenue recognition

ACT Alberta follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue during the year in which the related expenses are incurred. 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.

Fundraising and promotion revenue is recognized when earned.

Restricted interest income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted interest income is recognized as revenue when earned.

#### Tangible capital assets

Tangible capital assets individually below \$3,000 are recorded as expenses in the Statement of Operations in the year in which they are purchased.

#### Contributed goods and services

Due to the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

#### Use of estimates

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Estimates are used when accounting for items and matters such as accrued liabilities, contingencies and allocation of expenses.

#### Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, have a maturity of one year or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

(continues)

---

# ACTION COALITION ON HUMAN TRAFFICKING ALBERTA

## Notes to Financial Statements

For the Year Ended March 31, 2021

---

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

#### Financial instruments

##### *Measurement of financial instruments*

ACT Alberta initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

ACT Alberta subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

ACT Alberta has no financial assets or liabilities measured at fair value.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the Statement of Operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

---

### 2. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
Operating bank account	\$ 272,455	\$ 184,340
Guaranteed Investment Certificates	38,103	37,775
	<u>\$ 310,558</u>	<u>\$ 222,115</u>

The Guaranteed Investment Certificates bear interest at 0.25% and 1.10% and mature April 2021 and June 2021.

---

### 3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Trade	\$ 20,810	\$ 13,097
Accrued vacation	4,150	9,640
	<u>\$ 24,960</u>	<u>\$ 22,737</u>

---

# ACTION COALITION ON HUMAN TRAFFICKING ALBERTA

## Notes to Financial Statements

For the Year Ended March 31, 2021

### 4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent grants externally restricted for operating expenses that are to be incurred in a future fiscal year. Changes in the deferred contributions balance are as follows:

	<u>2021</u>	<u>2020</u>
Balance, Beginning of Year	\$ 74,707	\$ 397,282
Add: Externally Restricted Grants Received:		
Provincial - Minister of Justice and Solicitor General	150,000	150,000
Provincial - Minister of Community and Social Services	150,000	-
Foundations and other charities	65,000	16,069
Provincial - Minister of Culture, Multiculturalism and Status of Women	60,000	-
Government assistance	51,825	-
Federal - Minister of Justice and Attorney General of Canada	-	63,870
Edmonton Community Foundation	-	56,000
City of Calgary	-	25,000
Less: Grants Recognized as Revenue	<u>(466,345)</u>	<u>(633,514)</u>
Balance, End of Year	<u>\$ 85,187</u>	<u>\$ 74,707</u>

Deferred contributions are comprised entirely of grants as at March 31, 2021 and 2020.

Government assistance is comprised of the Canada Emergency Wage Subsidy (CEWS) and the 10% Temporary Wage Subsidy for Employers (TPS). As a result of a decrease in revenue due to COVID-19, ACT Alberta was eligible for CEWS and TPS. Management believes ACT Alberta is in compliance with all eligibility criteria under the CEWS and TPS programs.

### 5. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of funds restricted by the Board of Directors to assist in future years in the event of any fluctuations in major funding sources.

### 6. CONTRACTUAL OBLIGATIONS

ACT Alberta leases its office space under an agreement expiring May 31, 2022. The lease provides for annual base rent of approximately \$35,000 including Goods and Services Tax and a proportionate share of occupancy costs.

### 7. ECONOMIC DEPENDENCE

ACT Alberta's primary source of revenue is grant funding from various levels of government. ACT Alberta's ability to continue viable operations is dependent upon these funding sources.

# **ACTION COALITION ON HUMAN TRAFFICKING ALBERTA**

## **Notes to Financial Statements**

**For the Year Ended March 31, 2021**

---

### **8. FINANCIAL INSTRUMENTS**

ACT Alberta is not exposed to significant credit, currency or other price risk through its financial instruments. The following analysis provide information about ACT Alberta's risk exposure and concentration as at March 31, 2021.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. ACT Alberta is exposed to this risk mainly in respect of its receipt of funds from various levels of government and other related sources, and accounts payable and accrued liabilities.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, ACT Alberta manages exposure through its normal operating and financing activities. ACT Alberta is exposed to interest rate risk primarily through its Guaranteed Investment Certificates.

ACT Alberta mitigates these risks by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

---

### **9. COMPARATIVE FIGURES**

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

---