

ACTRA PERFORMERS' RIGHTS SOCIETY
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 29, 2024

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Independent Auditor's Report

To the Members of ACTRA Performers' Rights Society

Opinion

We have audited the financial statements of ACTRA Performers' Rights Society (the "Society"), which comprise the balance sheet as at February 29, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at February 29, 2024, 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 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 Society 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 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 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 the ability of the Society 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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Society.

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 the financial statements.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 internal control of the Society.
- 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 ability of the Society 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 Society 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario
September 11, 2024

Chartered Professional Accountants
Licensed Public Accountants

ACTRA PERFORMERS' RIGHTS SOCIETY

BALANCE SHEET

AS AT FEBRUARY 29, 2024

	2024	2023
ASSETS		
Current assets		
Cash	\$ 5,130,476	\$ 3,657,279
Accounts receivable	27,924	28,414
Prepaid expenses	61,661	54,764
	<u>5,220,061</u>	<u>3,740,457</u>
Capital assets (note 3)	<u>26,882</u>	<u>30,260</u>
	<u>5,246,943</u>	<u>3,770,717</u>
Trust assets		
Funds held in trust for performers (note 4)	12,481,930	17,364,165
Funds held in trust for minors (note 4)	16,094,619	14,697,983
	<u>28,576,549</u>	<u>32,062,148</u>
	<u>33,823,492</u>	<u>35,832,865</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	548,281	614,934
Due to ACTRA National (note 6)	88,161	5,240
	<u>636,442</u>	<u>620,174</u>
Trust liabilities		
Funds held in trust for performers	9,920,991	14,836,244
Funds held in trust for performers - Unclaimed Monies (note 7)	2,560,939	2,527,921
Funds held in trust for minors	16,094,619	14,697,983
	<u>28,576,549</u>	<u>32,062,148</u>
NET ASSETS		
Unrestricted net assets	4,583,619	3,120,283
Invested in capital assets	<u>26,882</u>	<u>30,260</u>
	<u>4,610,501</u>	<u>3,150,543</u>
	<u>\$ 33,823,492</u>	<u>\$ 35,832,865</u>

The accompanying notes are an integral part of these financial statements



President

Approved on behalf of the Board:



Treasurer

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 29, 2024

2024	PRS - Claims	PRS - RACS	Total
Income			
Member service charges	\$ 738,157	\$ -	\$ 738,157
Non-member service charges	922,232	-	922,232
Minor's Trust service charges	49,514	-	49,514
Investment income	602,365	365,298	967,663
International admin fees	16,863	-	16,863
Administration fees			
Independent Production Agreement	382,357	-	382,357
Screen Actors Guild Pension	6,236	-	6,236
Private copying	-	185	185
Tariffs	-	2,041,592	2,041,592
IPA disbursement fee	205,941	-	205,941
Contribution from IPA Unclaimed Monies (note 7)	337,143	-	337,143
	3,260,808	2,407,075	5,667,883
Expenses			
Salaries and benefits (Schedules A and E)	1,327,992	1,198,414	2,526,406
Professional fees (Schedules B and F)	168,716	351,934	520,650
Bank charges and interest	32,093	18,065	50,158
Computer expenses and software	25,740	32,186	57,926
Courier	1,107	402	1,509
Depreciation - computer	4,491	4,011	8,502
Depreciation - computer programming	4,214	9,239	13,453
Depreciation - furniture and equipment	836	836	1,672
Director expenses (Schedules C and G)	34,126	40,180	74,306
Insurance	12,727	12,727	25,454
Office supplies and miscellaneous	9,623	5,142	14,765
Postage	20,385	4,494	24,879
Printing	10,998	5,013	16,011
Rent	164,492	164,492	328,984
Research and development (Schedules D and H)	178,847	118,723	297,570
Storage costs	9,116	9,116	18,232
Telephone	3,895	2,710	6,605
Recovery of AFBS benefit reserve	(81,821)	(34,479)	(116,300)
	1,927,577	1,943,205	3,870,782
Excess of income over expenses before the following:	1,333,231	463,870	1,797,101
Distribution of IPA Unclaimed Monies (note 7)	(337,143)	-	(337,143)
Excess of income over expenses for the year	\$ 996,088	\$ 463,870	\$ 1,459,958

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF OPERATIONS *(continued)*

YEAR ENDED FEBRUARY 29, 2024

2023 <i>(note 11)</i>	PRS - Claims	PRS - RACS	Total
Income			
Member service charges	\$ 758,983	\$ -	\$ 758,983
Non-member service charges	1,150,796	-	1,150,796
Minor's Trust service charges	68,557	-	68,557
Investment income	331,980	125,987	457,967
International admin fees	37,179	-	37,179
Administration fees			
Independent Production Agreement	423,696	-	423,696
Screen Actors Guild Pension	12,551	-	12,551
Private copying	-	7,562	7,562
Tariffs	-	1,571,600	1,571,600
IPA disbursement fee	226,524	-	226,524
Contribution from IPA Unclaimed Monies <i>(note 7)</i>	302,512	-	302,512
Government subsidy	1,114	1,114	2,228
	3,313,892	1,706,263	5,020,155
Expenses			
Salaries and benefits <i>(Schedules A and E)</i>	1,208,806	1,263,144	2,471,950
Professional fees <i>(Schedules B and F)</i>	106,770	529,803	636,573
Bank charges and interest	27,961	16,201	44,162
Computer expenses and software	27,212	31,562	58,774
Courier	2,381	372	2,753
Depreciation - computer	1,943	1,529	3,472
Depreciation - computer programming	12,283	17,191	29,474
Depreciation - furniture and equipment	840	840	1,680
Director expenses <i>(Schedules C and G)</i>	33,893	55,146	89,039
Insurance	11,604	11,605	23,209
Office supplies and miscellaneous	5,980	6,242	12,222
Postage	18,394	5,402	23,796
Printing	516	-	516
Rent	165,877	165,877	331,754
Research and development <i>(Schedules D and H)</i>	195,854	142,255	338,109
Storage costs	7,969	7,968	15,937
Telephone	2,877	2,287	5,164
Recovery of AFBS benefit reserve	(85,716)	(36,120)	(121,836)
	1,745,444	2,221,304	3,966,748
Excess (deficiency) of income over expenses before the following :	1,568,448	(515,041)	1,053,407
Distribution of IPA Unclaimed Monies <i>(note 7)</i>	(302,512)	-	(302,512)
Excess (deficiency) of income over expenses for the year	\$ 1,265,936	\$ (515,041)	\$ 750,895

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED FEBRUARY 29, 2024

2024	Unrestricted net assets			Invested in Capital Assets	Total
	PRS - Claims	PRS - RACS	Sub-Total		
Net assets - at beginning of year	\$ 141,714	\$ 2,978,569	\$ 3,120,283	\$ 30,260	\$ 3,150,543
Excess of income over expenses for the year	996,088	463,870	1,459,958	-	1,459,958
Purchase of capital assets	(8,571)	(11,679)	(20,250)	20,250	-
Depreciation	9,542	14,086	23,628	(23,628)	-
Net assets - at end of year	\$ 1,138,773	\$ 3,444,846	\$ 4,583,619	\$ 26,882	\$ 4,610,501

2023	Unrestricted net assets			Invested in Capital Assets	Total
	PRS - Claims	PRS - RACS	Sub-Total		
Net assets (deficit) - at beginning of year	\$ (1,133,797)	\$ 3,477,335	\$ 2,343,538	\$ 56,110	\$ 2,399,648
Excess (deficiency) of income over expenses for the year	1,265,936	(515,041)	750,895	-	750,895
Purchase of capital assets	(5,491)	(3,285)	(8,776)	8,776	-
Depreciation	15,066	19,560	34,626	(34,626)	-
Net assets - at end of year	\$ 141,714	\$ 2,978,569	\$ 3,120,283	\$ 30,260	\$ 3,150,543

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 29, 2024

	2024	2023 (note 11)
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 4,700,710	\$ 4,229,035
Cash paid to employees and suppliers	(3,923,094)	(3,570,678)
Cash receipts from government subsidy	-	54,052
Cash received from investment income	967,663	457,967
Distribution of IPA Unclaimed Monies (note 7)	(337,143)	(302,512)
	1,408,136	867,864
Cash flows from financing activities		
Advances to related organizations	85,311	(51,348)
	85,311	(51,348)
Cash flows from investing activity		
Purchase of furniture, equipment and software	(20,250)	(8,776)
Change in cash during the year	1,473,197	807,740
Cash - at beginning of year	3,657,279	2,849,539
Cash - at end of year	\$ 5,130,476	\$ 3,657,279

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2024

ACTRA Performers' Rights Society ("PRS" or the "Society") is a not for profit corporation incorporated under the Canada Not-for-Profit Corporations Act as a corporation without share capital. The Society is the arm of ACTRA that collects and disburses use fees, royalties, residuals and all other forms of compensation and remuneration that performers may be entitled to as a result of their work.

Recording Artists Collecting Society ("RACS"), formerly Sound Recording Division, acts as the collection and distribution division of the Society with respect to equitable remuneration due to performers under the Copyright Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Basis of Presentation

Fund Accounting

The Society uses fund accounting, whereby the operations of the PRS - RACS division which includes processing of private copying and tariffs is presented separately from the general operations of the Society - PRS - Claims.

Net Assets Invested in Capital assets

Net assets invested in capital assets comprises the net book value of capital assets.

Revenue Recognition

Members, non-members and minor's trust service charges are recognized when the services are rendered and related payments are processed. Administration fees are recognized when the services are rendered and funds held in trust are paid out.

Funds held in the trust account and not claimed by a member for more than five years are recognized in income as contribution from IPA Unclaimed Monies. The funds should be utilized in the collective interest and for the benefits of the ACTRA membership as per the Constitution.

Investment income is comprised of interest, mutual fund distributions, dividends and realized gains and losses from investment transactions. Interest is recognized as income when earned except for interest earned on minors trust fund which is directly recorded to trust liability account. Distributions and dividends are recognized as income when declared. Realized gains and losses from disposal of investments are recognized when the transactions occur.

Unrealized gains and losses which reflect the changes in fair value of the investment held during the period are recognized at each reporting date and included in current period income.

Government subsidy is recognized as income when there is reasonable assurance that the Society has complied and will continue to comply with all conditions of the subsidy, and the amounts are received or collection is reasonably assured.

Financial Instruments

i) Measurement of Financial Assets and Liabilities

The Society initially measures its financial assets and liabilities at fair value except for those resulting from related party transactions. The Society subsequently measures all its financial assets and financial liabilities at amortized cost except for marketable securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

i) Measurement of Financial Assets and Liabilities (continued)

Financial assets and liabilities measured at amortized cost include cash, trust assets, accounts receivable, accounts payable and accrued liabilities and trust liabilities.

ii) Related party transactions

A party is considered to be related to the organization if such party or the organization has the ability to, directly or indirectly, control or exercise significant influence over the other's financial and operating decisions, or if the organization and such party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The financial instruments originated from the related party transactions are measured as follows:

- at cost determined using undiscounted cash flows excluding interest payments, less any impairment losses previously recognized by the transferor, if the financial instrument has repayment terms; and
- at cost, determined using the amount of consideration transferred or received, if the financial instrument does not have repayment terms.

Subsequently, all related party financial instruments are measured at cost less impairment, if any.

Related party financial assets and liabilities that are forgiven are recognized in net income if the original transaction was in the normal course of operations, and within net assets if the original transaction was not in the normal course of operations.

iii) Impairment

Financial assets measured at amortized cost are tested for impairment at the end of each reporting period. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

Trust Assets

Investments held in trust are comprised of cash in bank, cash with broker, investment savings account and guaranteed investment certificates (GICs). Investments held in trusts are recorded at amortized cost.

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis as follows:

Computer equipment	-	3 years
Computer software	-	5 years
Furniture and equipment	-	5 years
Leasehold improvements	-	over the term of the lease

The above rates are reviewed annually to assess ongoing appropriateness. Any changes are adjusted on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2024.

Use of Estimates

The preparation of the Society's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts 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 year. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

Key areas of estimation where management has made difficult, complex or subjective judgments, include those relating to the useful lives of capital assets, valuation of investments, and other assets and liabilities valuation.

2. INVESTMENT IN CREDIT UNION AND RIGHT TO PROFIT PARTICIPATION

On November 18, 2008, the Society purchased 50,000 Class B Investment shares of CASCU for \$50,000, pursuant to an Offering Statement dated July 31, 2008. On August 11, 2013, the Society purchased an additional 100,000 Class B Investment shares for \$100,000 pursuant to an Offering statement dated March 31, 2013.

In October 2020, CASCU sold all of its assets to FirstOntario Credit Union Limited ("FirstOntario") and became the "Creative Arts Division" of FirstOntario.

Immediately following the sale of CASCU's assets to FirstOntario, CASCU, FirstOntario, along with all the institutional investors who owned Class B Investment shares entered into a "Profit Participation Agreement" under which, the institutional investors agreed to release CASCU or FirstOntario from any obligation to pay the redemption amount of the Class B Investment shares of CASCU and in turn, acquired a right to jointly share 15% of the profit from the Creative Arts Division over a period of 10 years. The Society will be entitled to 4.72% of the profit participation distribution, if any, during the term of the agreement based on the cost of the Class B Investment shares subscribed by the Society.

Due to high level of uncertainty associated with the future profitability of the Creative Arts Division, the right to profit participation acquired by the Society is measured at nil.

For the year ended February 29, 2024, there was no profit reported by the Creative Arts Division of FirstOntario (\$Nil - 2023).

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2024

3. CAPITAL ASSETS

2024	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 471,557	\$ 450,455	\$ 21,102
Computer software	1,404,076	1,401,487	2,589
Furniture and equipment	333,013	329,822	3,191
Leasehold improvements	24,478	24,478	-
	\$ 2,233,124	\$ 2,206,242	\$ 26,882
2023	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 874,708	\$ 865,354	\$ 9,354
Computer software	1,404,076	1,388,033	16,043
Furniture and equipment	333,013	328,150	4,863
Leasehold improvements	24,478	24,478	-
	\$ 2,636,275	\$ 2,606,015	\$ 30,260

During the current year, the Society determined that computer equipment with an original cost of \$423,401 and accumulated amortization of \$423,401 were no longer in use and as such have been written off.

4. TRUST ASSETS

Funds Held in Trust for Performers

Details of investments are as follows:

Face Value/Unit	2024	2023
Investments, at amortized cost		
Cash in bank	\$ 7,749,794	\$12,806,950
Cash with broker	168,153	18,865
RBC Investment Savings Account	462,686	442,701
Guaranteed investment certificates:		
\$75,000 Bank of Nova Scotia, 5.10% due December 19, 2024	75,755	-
\$100,000 Equitable Bank, 5.16% due December 19, 2024	101,018	-
\$100,000 General Bank of Canada, 5.15% due December 19, 2024	101,016	-
\$100,000 Home Equity Bank, 5.10% due December 19, 2024	101,006	-
\$100,000 Home Trust Company, 5.20% due December 19, 2024	101,026	-
\$100,000 Peoples Trust, 5.10% due December 19, 2024	101,006	-
\$100,000 RBC Mortgage Corp, 4.60% due January 10, 2025	100,630	100,618
\$100,000 Royal Trust Corp, 4.60% due January 10, 2025	100,630	100,618
\$100,000 BMO Mortgage Corp, 4.60% due January 10, 2025	100,630	100,618
\$100,000 Bank of Montreal, 4.60% due January 10, 2025	100,630	100,618
\$100,000 Fairstone Bank, 4.61% due January 10, 2025	100,632	100,619
\$3,000,000 RBC Cashable, 4.30% due January 13, 2025	3,017,318	-
\$75,000 B2B Bank, 1.90% due December 18, 2023	-	75,285
\$100,000 Equitable Bank, 1.99% due December 18, 2023	-	100,398
\$100,000 General Bank of Canada, 1.93% due December 18, 2023	-	100,386
\$100,000 Home Equity Bank, 1.94% due December 18, 2023	-	100,388
\$100,000 Home Trust Company, 2.01% due December 18, 2023	-	100,402
\$100,000 Peoples Trust, 1.98% due December 18, 2023	-	100,396
\$3,000,000 RBC Cashable, 3.80% due January 10, 2024	-	3,015,303
	12,481,930	17,364,165

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2024

4. TRUST ASSETS (continued)

Funds Held in Trust for Minors

Details of investments are as follows:

	2024	2023
Investments, at amortized cost		
Cash in bank	637,422	451,080
RBC Investment Savings Accounts	-	222,854
Guaranteed investment certificates:		
\$15,235,034 FirstOntario Credit Union, 4.35% (2023 - 4.15%) annual yield for each minor account	15,235,034	14,024,049
\$95,000 Equitable Bank, 1.26% due March 22, 2024	95,000	-
\$55,000 Versa Bank, 1.26% due March 22, 2024	55,000	-
\$72,163 Equitable Bank, 5.01% due January 13, 2025	72,163	-
	16,094,619	14,697,983

Investment Risk Management

Risk management relates to the understanding and active management of risks associated with all areas of the Society's activities and operations. Investments are primarily exposed to credit risk, interest rate and market price risk. The Society has formal policies and procedures for investment transactions. The Society's investment practice is to hold all fixed income investments to maturity.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The investments held in trust for Minors at First Ontario Credit Union are not exposed to significant credit risk as they are protected by insurance.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income investments held by the Society. The value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise. The financial instruments subject to interest rate risk are investments in guaranteed investment certificates. The Society holds the investments in guaranteed investment certificates to maturity and is not exposed to significant interest rate risk.

Price Risk

Price risk is the potential loss that the Society may incur with respect to the changes in fair value of investments. The fair value of investments will fluctuate because of changes in market price whether those changes are caused by factors specific to the individual securities, or issuers or factors affecting all securities traded in the market. The Society is not exposed to significant price risk in respect of the trust assets.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include government remittances totaling \$145,787 at February 29, 2024 (\$174,848 - 2023).

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2024

6. RELATED PARTY TRANSACTIONS

The Society is related to ACTRA National, a not-for-profit organization, in that, it is the arm of ACTRA that collects and disburses use fees, royalties, residuals and other compensation and remuneration performers may be entitled to for the use of their work, and both organizations have common voting membership. ACTRA National is a federation of autonomous branches/local unions which are national in scope, representing performers in live transmissions and recorded media.

In the normal course of business, the Society, ACTRA National and ACTRA Branches share common costs. The Society also makes distribution of unclaimed monies to ACTRA National and ACTRA Branches.

Details of related party balances are as follows:

	2024	2023
Liabilities		
Due to ACTRA National	\$ 88,161	\$ 5,240

Amount due to ACTRA National and ACTRA Branches are non-interest bearing, unsecured and due on demand.

7. DISTRIBUTION OF UNCLAIMED MONIES

In the fiscal year 2022, the Board of Directors of the Society, ACTRA National Executive and ACTRA National Council approved a motion towards the use of the unclaimed monies or no-known address monies ("UCM/NKA's") collected by the Society and held in the trust accounts beyond five years, being that the funds should be utilized in the collective interest and for the benefits of the ACTRA membership as per the Constitution.

In fiscal year 2022, ACTRA National disbursed \$958,127 from its surplus to ACTRA Branches, representing 50% of UCM/NKA's collected by the Society and released from the trust accounts for fiscal year ends 2013 through 2019.

During the year, the Society transferred \$337,143 out of the trust accounts, representing the UCM/NKA's available for use for fiscal 2023, and distributed it to ACTRA National pursuant to the direction of ACTRA National Council and the ACTRA PRS Board made in fiscal year 2022 under which, ACTRA PRS agreed to distribute a total of \$958,127 to ACTRA National when and if it is financially feasible.

In the prior year, the Society distributed \$302,512 to the Branches, representing the UCM/NKA's available for use for fiscal 2022.

8. LEASE COMMITMENTS

The Society has a commitment under an operating lease for premises. The lease expires on July 31, 2025. The minimum annual payments under the lease are as follows:

Fiscal year	2025	\$ 173,500
	2026	72,280
		<u>\$ 245,780</u>

In addition to the minimum rent, the Society is obligated to pay operating costs for its office space. The operating costs paid for the current year were approximately \$171,000 (\$165,000 - 2023).

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2024

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure at the balance sheet date.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Society to credit risk include cash, accounts receivable and investments in guaranteed income certificates held in trust for Performers.

The Society mitigates credit risk with respect to cash by maintaining the accounts with reputable Canadian financial institutions.

The Society is not exposed to significant credit risk with respect to its accounts receivable.

Credit risk from the investing activities is closely monitored by the management. Details related to the credit risk associated with the investments held in trust for Performers are disclosed in note 4.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to ACTRA National, trust liabilities and lease commitments. The Society expects to meet these obligations as they come due by generating sufficient cash flow from operations and segregating the investments held for trust accounts.

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. Market risk is disclosed in note 4.

10. GUARANTEES AND INDEMNITIES

The Society has indemnified its past, present and future directors, officers and employees against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Society has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Society has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements and purchase contracts. In these agreements, the Society agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Society. The maximum amount of any potential liability cannot be reasonably estimated.

11. COMPARATIVE FIGURES

Certain prior year comparative figures in the statements of operations and cash flows have been reclassified to conform with the financial statements presentation adopted in the current year and there is no impact on the excess (deficiency) of income over expenses.

ACTRA PERFORMERS' RIGHTS SOCIETY

SCHEDULE OF EXPENSES - PRS - CLAIMS

YEAR ENDED FEBRUARY 29, 2024

	2024	2023
Schedule A		
Salaries and benefits		
Salaries	\$ 1,010,124	\$ 925,412
General benefits	222,373	196,191
RRSP benefits	94,466	87,181
Staff training and recruitment	1,029	22
	1,327,992	1,208,806
Schedule B		
Professional fees		
Audit fees	7,750	8,391
Consultant fees	20,199	15,927
Legal and arbitration fees	67,865	12,654
Document registration fees	72,902	69,798
	168,716	106,770
Schedule C		
Director expenses		
Honoraria	27,598	27,088
President's expenses	1,876	2,170
Executive director's expenses	3,089	793
Directors' expenses	719	3,122
Staff expenses	612	720
Industry events	232	-
	34,126	33,893
Schedule D		
Research and development		
Resource materials	-	450
ITDS system development	81,821	85,716
Special projects	97,026	109,688
	\$ 178,847	\$ 195,854

ACTRA PERFORMERS' RIGHTS SOCIETY

SCHEDULE OF EXPENSES - PRS - RACS

YEAR ENDED FEBRUARY 29, 2024

	2024	2023
		<i>Schedule E</i>
Salaries and benefits		
Salaries	\$ 937,424	\$ 990,038
General benefits	175,807	185,518
RRSP benefits	84,509	87,588
Staff training and recruitment	674	-
	1,198,414	1,263,144
		<i>Schedule F</i>
Professional fees		
Audit fees	7,750	8,391
Consultant fees	17,505	24,877
Legal fees	326,679	496,535
	351,934	529,803
		<i>Schedule G</i>
Director expenses		
Honoraria	27,598	27,088
President's expenses	1,876	1,265
Executive director's expenses	3,088	792
Directors' expenses	701	206
Staff expenses	505	571
Industry events	6,412	25,224
	40,180	55,146
		<i>Schedule H</i>
Research and development		
Resource materials	312	25
Website	213	-
International association and membership activities	33,530	35,340
ITDS system development	34,479	36,120
IT upgrade	50,189	70,770
	\$ 118,723	\$ 142,255

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