

**ACTRA NATIONAL**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED FEBRUARY 28, 2019**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of ACTRA National

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of ACTRA National (the "Organization"), which comprise the balance sheet as at February 28, 2019, 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 ACTRA National as at February 28, 2019, 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 Organization 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 Organization 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 financial reporting process of the Organization.

#### **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.

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 Organization.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT (continued)

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

- 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 Organization 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.

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  
June 2, 2019



Chartered Professional Accountants  
Licensed Public Accountants

# ACTRA NATIONAL

## BALANCE SHEET

AS AT FEBRUARY 28, 2019

	2019	2018
<b>ASSETS</b>		
Current assets		
Cash (note 6)	\$ 2,576,760	\$ 3,483,506
Marketable securities (note 3)	2,118,452	1,970,831
Accounts receivable	157,032	285,202
Prepaid expenses and deposits	139,090	108,011
Due from ACTRA Toronto Performers Branch (note 6)	133,653	129,871
Due from U.B.C.P. (note 6)	1,978	-
Due from ACTRA Performers' Rights Society (note 6)	117,513	128,701
	<u>5,244,478</u>	<u>6,106,122</u>
Investment in Credit Union (note 6)	91,579	91,579
Capital assets (note 4)	730,079	494,282
	<u>821,658</u>	<u>585,861</u>
	<u><b>6,066,136</b></u>	<u><b>6,691,983</b></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (notes 2 & 5)	998,796	1,450,630
Accrued vacation pay	85,056	82,515
Due to Branches (notes 2 & 6)	3,165,317	3,298,646
Due to U.B.C.P. (note 6)	-	30,460
	<u>4,249,169</u>	<u>4,862,251</u>
<b>NET ASSETS</b>		
Surplus transferred to Branches (note 6)	(65,808)	(157,682)
Unappropriated net assets (note 2)	1,152,696	1,493,132
Invested in capital assets	730,079	494,282
	<u>1,816,967</u>	<u>1,829,732</u>
	<u><b>\$ 6,066,136</b></u>	<u><b>\$ 6,691,983</b></u>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Treasurer

# ACTRA NATIONAL

## STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 28, 2019

	2019	2018
Income		
Per capita - full members	\$ 3,941,313	\$3,818,643
Per capita - apprentice members	419,025	403,050
Equalization income	1,387,571	1,588,574
Investment income	150,206	144,031
Unrealized loss on marketable securities	(12,770)	(152,172)
Unrealized loss on investment in Credit Union ( <i>note 6</i> )	-	(260,000)
	<b>5,885,345</b>	<b>5,542,126</b>
Expenses		
National council and executive ( <i>Schedule A</i> )	199,531	198,178
National committees ( <i>Schedule B</i> )	25,422	15,966
National executive director's office ( <i>Schedule C</i> )	458,599	419,057
National Organizing Campaign ( <i>Schedule D</i> )	16,023	161,463
Collective agreements ( <i>Schedule E</i> )	170,888	247,181
Policy and communications ( <i>Schedule F</i> )	819,758	850,576
Research ( <i>Schedule G</i> )	433,100	358,114
Industry relations ( <i>Schedule H</i> )	8,674	9,459
External relations ( <i>Schedule I</i> )	188,786	333,917
Finance, human resources and administration ( <i>Schedule J</i> )	1,340,598	1,286,911
Information technology and digital solutions (ITDS) ( <i>Schedule K</i> )	1,314,060	1,289,838
Occupancy ( <i>Schedule L</i> )	442,371	447,322
Sexual harrassment/institutional change	56,260	-
HST/GST expense	85,398	99,971
Apprentice member credit	51,906	41,616
Donations	20,948	20,503
	<b>5,632,322</b>	<b>5,780,072</b>
Excess (deficiency) of income over expenses before transfer payments	253,023	(237,946)
Transfer payments to branches ( <i>note 6</i> )	(113,261)	(16,545)
Transfer payments to ACTRA Performers Rights' Society ( <i>note 6</i> )	(86,719)	-
Excess (deficiency) of income over expenses for the year	\$ 53,043	\$ (254,491)

The accompanying notes are an integral part of these financial statements

**ACTRA NATIONAL**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED FEBRUARY 28, 2019**

<b>2019</b>	<b>Invested in Capital Assets</b>	<b>Unappropriated Net Assets</b>	<b>Net Assets Transferred to Branches</b>	<b>Total</b>
Net assets (deficit) - at beginning of year, as previously reported	\$ 494,282	\$ 1,331,759	\$ (157,682)	\$ 1,668,359
Correction of error (note 2)	-	161,373	-	161,373
Net assets (deficit) - at beginning of year, as restated	494,282	1,493,132	(157,682)	1,829,732
Excess of income over expenses for year	-	53,043	-	53,043
Prior year transfer of surplus to branches	-	(157,682)	157,682	-
Transfer of surplus to branches (note 6)	-	-	(65,808)	(65,808)
Purchase of capital assets	420,712	(420,712)	-	-
Depreciation	(184,915)	184,915	-	-
Net assets - at end of year	\$ 730,079	\$ 1,152,696	\$ (65,808)	\$ 1,816,967

<b>2018</b>	<b>Invested in Capital Assets</b>	<b>Unappropriated Net Assets</b>	<b>Net Assets Transferred to Branches</b>	<b>Total</b>
Net assets (deficit) - at beginning of year, as previously reported	\$ 162,086	\$ 2,202,829	\$ (284,383)	\$ 2,080,532
Correction of error (note 2)	-	161,373	-	161,373
Net assets - at beginning of year, as restated	162,086	2,364,202	(284,383)	2,241,905
Deficiency of income over expenses for year	-	(254,491)	-	(254,491)
Prior year transfer of surplus to branches	-	(284,383)	284,383	-
Transfer of surplus to branches (note 6)	-	-	(157,682)	(157,682)
Purchase of capital assets	452,419	(452,419)	-	-
Depreciation	(120,223)	120,223	-	-
Net assets (deficit) - at end of year	\$ 494,282	\$ 1,493,132	\$ (157,682)	\$ 1,829,732

The accompanying notes are an integral part of these financial statements

# ACTRA NATIONAL

## STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 28, 2019

	2019	2018
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 5,876,079	\$ 5,682,046
Cash paid to employees and suppliers	(6,127,759)	(5,558,864)
Investment income received	150,206	144,031
	<u>(101,474)</u>	<u>267,213</u>
Cash flows from financing activity		
Advances to related organizations	(224,169)	(129,228)
Cash flows from investing activities		
Purchase of capital assets	(420,712)	(452,419)
Purchase of marketable securities	(160,391)	(148,516)
	<u>(581,103)</u>	<u>(600,935)</u>
Change in cash during the year	<u>(906,746)</u>	<u>(462,950)</u>
Cash - at beginning of year	3,483,506	3,946,456
Cash - at end of year	<u>\$ 2,576,760</u>	<u>\$ 3,483,506</u>

The accompanying notes are an integral part of these financial statements

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2019

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ACTRA National (the "Organization") is a federation of autonomous branches and local unions, national in scope, representing performers in live transmission and recorded media.

ACTRA National is an unincorporated not-for-profit organization and, as such, is generally exempt from income taxes.

### *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*

ACTRA National is an unincorporated entity and these financial statements include only the operations of ACTRA National. They do not include the assets, liabilities, income and expenses of the autonomous branches and unions or those of the branches administered by ACTRA National. Separate financial statements have been prepared for the autonomous branches and unions.

#### *Extraordinary Contingency Fund*

In 1998 an extraordinary contingency fund was established to provide for organizing, bargaining and negotiations, extraordinary meetings of ACTRA National and legal counsel. The fund was financed through voluntary contributions of 5% of non-member work permit income from the branches and local unions. As there have been no contributions to the Extraordinary Contingency Fund since 2002, the decision has been made to roll the balance remaining in the fund into Unappropriated Net Assets.

#### *Invested in Capital assets*

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

#### *Financial Assets and Liabilities*

The Organization initially measures its financial assets and liabilities at fair value except for those resulting from certain non-arms length transactions. The Organization 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, and investment in Credit Union, which is measured at cost. Changes in fair value are recognized in the Statement of Operations.

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

Amounts due to/from related organizations from transactions in the normal course of business are measured at exchange amount (see note 6).

#### *Marketable Securities*

Marketable securities are comprised of a mutual fund which is recorded at fair value. The quoted market price is used to estimate the fair value of the investment.

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2019

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

#### *Investment in Credit Union*

Investment in Creative Arts Savings & Credit Union Limited ("CASCU") is recorded at cost, being the cost of purchases of the shares and dividends re-invested. Investments in CASCU are reviewed annually and are assessed for indications of impairment. When there is an indication of impairment, an impairment test is performed that compares carrying amount of the investment to the CASCU net assets available for redemption at the balance sheet date. Where the carrying amount of the investment exceeds the CASCU net assets available for redemption, an impairment of the investment is recognized.

When the extent of impairment of a previously written down investment decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment shall be reversed to the extent of the improvement.

#### *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 fixtures	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 2019.

#### *Revenue Recognition*

Per capita charges for full member and apprentice members are recognized when the fees are collected or collection is reasonably assured. Per capita charges are remitted by the individual branches to ACTRA National on a monthly basis, based on their respective total member count as at February 28 of the prior year.

Equalization income is recorded as revenue when remittances to ACTRA National are received.

Investment income is comprised of distributions from mutual fund, dividends, interest and realized gains and losses on disposal of marketable securities. Distributions and dividends are recognized as income when declared. Interest is recognized as income when earned. Realized gains and losses on disposal of marketable securities are recognized when the transactions occur.

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

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2019

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

#### Use of Estimates

The preparation of the Organization'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 judgements, include those relating to the useful lives of capital assets for depreciation, valuation of investments, provision for legal claims and other assets and liabilities valuation.

### 2. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the year, the Organization developed new procedures for reconciling the flow-through of Insurance and Retirement payments ("I&R"). With the implementation of the new procedures, management identified equalization income earned by the Organization in the periods prior to 2018 fiscal year but not recognized in the periods it pertained to. This resulted in understatements of equalization income, unappropriated net assets and total net assets and overstatements of accounts payable and amounts due to branches respectively in those affected periods.

Details of the restatement of the comparative financial statements for the matter described above are as follows:

	<i>As Previously Reported</i>	<i>Adjustment</i>	<i>As Restated</i>
<b>Balance Sheet - as at February 28, 2018</b>			
Accounts payable and accrued liabilities	\$ 1,522,016	\$ (71,386)	\$ 1,450,630
Due to Branches ( <i>note</i> )	3,388,633	(89,987)	3,298,646
<b>Statement of Changes in Net Assets - Year ended February 28, 2018</b>			
Unappropriated net assets as at March 1, 2017	2,200,446	161,373	2,361,819
Total net assets as at March 1, 2017	2,080,532	161,373	2,241,905
Unappropriate net assets as at February 28, 2018	1,331,759	161,373	1,493,132
Total net assets as at February 28, 2018	1,668,359	161,373	1,829,732

*Note:* The adjustment to Due to Branches is a clearing account adjustment that has no financial impact on the Branch Statements. Current assets and current liabilities in the Branches financial statements were both overstated by \$89,987 prior to March 1, 2018.

### 3. MARKETABLE SECURITIES

Details of marketable securities are as follows:

<i>Units</i>		<i>Fair Value</i>	
<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
Mutual Fund:			
<b>176,579</b>	163,154	<b>\$ 2,118,452</b>	\$ 1,970,831

**ACTRA NATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED FEBRUARY 28, 2019**

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3. MARKETABLE SECURITY (continued)

*Investment Risk Management*

Risk management relates to the understanding and active management of risks associated with all areas of the Organization's activities and operations. Marketable securities are primarily exposed to interest rate and price risks. The Organization has formal policies and procedures for investment transactions and marketable securities are bought/sold on the advice of portfolio managers.

*Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of the marketable securities held by the Organization. The Organization is indirectly exposed to interest rate risk through its mutual fund investment, which invests in equities and fixed income securities. The value of the fixed income securities held by the mutual fund will generally rise if interest rates fall and decrease if interest rates rise.

*Price Risk*

The Organization is exposed to price risk, which is the potential loss that the Organization may incur with respect to the changes in fair value of marketable securities. The fair value of marketable securities 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.

4. CAPITAL ASSETS

Details of capital assets are as follows:

<i>2019</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Computer equipment	\$ 1,167,067	\$ 1,102,217	\$ 64,850
Computer software	970,494	356,976	613,518
Furniture and fixtures	364,025	315,435	48,590
Leasehold improvements	19,007	15,886	3,121
	<b>\$ 2,520,593</b>	<b>\$ 1,790,514</b>	<b>\$ 730,079</b>

<i>2018</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Computer equipment	\$ 1,113,948	\$ 1,060,422	\$ 53,526
Computer software	625,241	240,040	385,201
Furniture and fixtures	341,684	291,460	50,224
Leasehold improvements	19,008	13,677	5,331
	<b>\$ 2,099,881</b>	<b>\$ 1,605,599</b>	<b>\$ 494,282</b>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include government remittances totalling \$9,907 (\$11,216 - 2018).

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2019

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### 6. RELATED PARTY TRANSACTIONS

ACTRA National is related to ACTRA Performers Rights Society ("APRS"), Contracted Services of ACTRA Branches ("Regional Branches"), ACTRA Toronto and Union of BC Performers/ACTRA ("U.B.C.P.") in that they have common voting membership. All these related organizations are not-for-profit organizations.

APRS acts as a collection agency for members and non-members of ACTRA and others with respect to use fees, residuals, royalties and other benefits either negotiated or otherwise payable to those persons.

ACTRA National has contracted with the Regional Branches and has agreed to provide administrative and financial management services to the Regional Branches.

ACTRA National is a federation of autonomous Branches/Local Unions ("Branches"), national in scope representing performers in live transmission, and recorded media.

In the normal course of business, ACTRA National, APRS and the Branches share common costs.

ACTRA National also makes transfer payments and distributions to the Branches.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Details of related party balances and transactions are as follows:

	<i>Balance Outstanding As At</i>	
	<i>2019</i>	<i>2018</i>
<b>Balance Sheet</b>		
Assets (Liabilities)		
Due from ACTRA Performers Rights Society	\$ 117,513	\$ 128,701
Due from ACTRA Toronto Performers Branch	133,653	129,871
Due to ACTRA Branches	(3,165,317)	(3,298,646)
Due from (to) U.B.C.P.	1,978	(30,460)
	<b>\$ (2,912,173)</b>	<b>\$ (3,070,534)</b>
<b>Transaction Value</b>		
	<i>2019</i>	<i>2018</i>
<b>Statement of Changes in Net Assets</b>		
Distribution of surplus		
ACTRA Branches	\$ 13,847	\$ 32,996
ACTRA Toronto Performers Branch	36,052	87,312
U.B.C.P.	15,909	37,374
	<b>\$ 65,808</b>	<b>\$ 157,682</b>
<b>Statement of Operations</b>		
Transfer payments		
ACTRA Branches	\$ 113,261	\$ 16,545
ACTRA Performers' Rights Society	86,719	-
	<b>\$ 199,980</b>	<b>\$ 16,545</b>

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED FEBRUARY 28, 2019

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#### 6. RELATED PARTY TRANSACTIONS (continued)

The advances to and from related organizations are non-interest bearing, unsecured and due on demand.

In addition, ACTRA National is related to the Creative Arts Savings & Credit Union Limited ("CASCU") in that certain of the Organization's staff members and National Council members are represented on the Board of Directors of CASCU and they are able to exercise significant influence over decision making.

CASCU is a financial institution incorporated in Ontario under the Credit Unions and Caisses Populaires Act, 1994 and operates in accordance with this statute and the accompanying regulations. CASCU is a member of Central 1 Credit Union and the prescribed level of deposits are insured by the Deposit Insurance Corporation of Ontario. CASCU provides financial products and services to ACTRA members throughout Ontario.

On November 18, 2008, ACTRA National purchased 200,000 Class B Investment shares of CASCU for \$200,000, pursuant to an Offering Statement dated July 31, 2008. On June 27, 2013, ACTRA National purchased an additional 100,000 Class B Investment shares for \$100,000, pursuant to an Offering Statement dated March 31, 2013.

The Class B Investment shares are non-cumulative, non-voting and non-participating special shares. These shares may not be sold, but may be redeemed at the owner's discretion, subject to approval of the Board of Directors of CASCU. Total redemption of shares permitted in any year is 10% of the outstanding shares at the beginning of the year. Shares may be transferred to other members of CASCU with the approval of the Board of Directors.

CASCU has incurred annual operating losses since inception. As at February 28, 2019, the carrying amount of the investment in CASCU was \$91,579 (\$91,579 - 2018), being the purchase costs of Class B Investment shares of \$300,000 (\$300,000 - 2018), cumulative re-invested dividends of \$51,579 (\$51,579 - 2018) and a valuation allowance of \$260,000 (\$260,000 - 2018). The valuation allowance was recorded based on the reduction in net assets available for redemption by CASCU at the balance sheet date.

ACTRA National also operates a business savings bank account and a business chequing bank account with CASCU. The ending balance of \$385,991 (\$912,779 - 2018) is included in the Organization's cash balance as at February 28, 2019.

#### 7. LEASE COMMITMENTS

The Organization has commitments under leases for premises and equipment. The premises lease expires on July 31, 2025. The equipment leases expire on December 31, 2019 and July 20, 2023. The minimum annual payments under the leases are as follows:

		<i>Premises</i>	<i>Equipment</i>	<i>Total</i>
Fiscal year	2020	\$ 164,300	\$ 22,100	\$ 186,400
	2021	152,500	10,800	163,300
	2022	168,000	10,800	178,800
	2023	176,700	10,800	187,500
	2024	182,900	3,600	186,500
	Thereafter	259,100	-	-
		<u>\$ 1,103,500</u>	<u>\$ 58,100</u>	<u>\$ 902,500</u>

In addition, the Organization is obligated to pay operating costs for its office space. The operating costs paid for the current year were approximately \$172,000 (\$155,000 - 2018).

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2019

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### 8. FINANCIAL INSTRUMENT RISK MANAGEMENT

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization'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. The Organization's main credit risks relate to cash on deposit with CASCUC, investment in CASCUC and accounts receivable.

The Organization mitigates the credit risk with respect to the cash on deposit with CASCUC and investment in CASCUC by closely monitoring the performance of CASCUC. Management provides an allowance whenever the investments are assessed as impaired. A valuation allowance of \$260,000 was provided in respect of the investment in CASCUC. Refer to note 5 for details.

The Organization mitigates credit risk with respect to the accounts receivable by reviewing and following up on the accounts on a regular basis.

#### *Liquidity Risk*

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to related parties and lease commitments. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from operations.

#### *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 currency risk. Interest rate and price risks are disclosed in note 3.

### 9. CONTINGENCIES

The Organization is party to a legal proceeding which arose from normal business activities. The potential liability, if any, will not materially affect the Organization's financial position.

### 10. GUARANTEES AND INDEMNITIES

The Organization 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 Organization 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 Organization 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 Organization agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Organization. The maximum amount of any potential liability cannot be reasonably estimated.

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2019**

	<b>2019</b>	2018
<i>Schedule A</i>		
National Council and Executive		
National council		
Meeting costs	\$ 33,317	\$ 33,999
Councilor travel costs	33,738	32,853
Officer expenses	4,573	4,934
Senior staff expenses	4,890	4,971
	<u>76,518</u>	<u>76,757</u>
National executive		
Meeting costs	14,869	16,553
Officer expenses	1,827	3,935
Senior staff expenses	5,817	5,623
	<u>22,513</u>	<u>26,111</u>
Officers and senior staff meetings		
Meeting costs	144	415
	<u>144</u>	<u>415</u>
Honoraria	77,862	76,437
Officer expenses - other	22,494	18,458
	<u>100,356</u>	<u>94,895</u>
<b>Total</b>	<b>\$ 199,531</b>	<b>\$ 198,178</b>
<i>Schedule B</i>		
National Committees		
Finance committee meetings	\$ 381	\$ 21
Stunt committee	7,639	7,009
Women's committee	2,776	5,709
Diversity committee	-	2,842
Other committees	14,626	385
<b>Total</b>	<b>\$ 25,422</b>	<b>\$ 15,966</b>
<i>Schedule C</i>		
National Executive Director's Office		
Salaries	\$ 374,092	\$ 325,199
RRSP	41,420	39,003
General benefits	30,374	29,216
	<u>445,886</u>	<u>393,418</u>
National executive director expenses	3,137	9,735
Regional director expenses	9,576	15,904
	<u>12,713</u>	<u>25,639</u>
<b>Total</b>	<b>\$ 458,599</b>	<b>\$ 419,057</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2019**

	<b>2019</b>	2018
National Organizing Campaign	<i>Schedule D</i>	
Industry relations	\$ 5,550	\$ 150,365
Meetings	3,701	4,326
Stunt Community Liaison/Consultant	6,772	6,772
<b>Total</b>	<b>\$ 16,023</b>	<b>\$ 161,463</b>
Collective Agreements	<i>Schedule E</i>	
CBC - Negotiations	\$ 6,383	\$ -
- Officer expenses	454	-
- Senior staff expenses	3,621	47
- Administration	89	-
	<b>10,547</b>	<b>47</b>
Commercials - Negotiations	-	84,452
- Officer expenses	-	4,350
- Senior staff expenses	-	34,403
- Administration	7,362	28,268
- Legal	-	10,623
- Printing	10,749	-
	<b>18,111</b>	<b>162,096</b>
IPA/BCMPA - Officer expenses	2,732	-
- Negotiation expenses	83,056	-
- Senior staff expenses	10,039	12,065
- Administration	2,147	5,808
- Legal	21,746	44,350
- Printing	20,208	20,060
	<b>139,928</b>	<b>82,283</b>
Other - Negotiations	1,210	1,119
- Senior staff expenses	-	1,522
- Administration	-	114
- Legal	1,092	-
	<b>2,302</b>	<b>2,755</b>
<b>Total</b>	<b>\$ 170,888</b>	<b>\$ 247,181</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2019**

	<b>2019</b>	2018
Public Policy and Communications	<i>Schedule F</i>	
Salaries	\$ 461,650	\$ 412,083
RRSP	36,684	32,472
General benefits	94,311	85,063
	<b>592,645</b>	529,618
Director expenses	4,290	13,468
Lobbying expenses	50,428	62,800
President's expenses	945	3,814
	<b>55,663</b>	80,082
ACTRA magazine	56,576	108,041
Advertising	-	1,290
Sponsorships	40,750	41,212
Promotional materials	4,089	6,505
Administrative services	8,631	11,104
ACTRA 75th anniversary	38,514	-
ACTRA awards and special events	9,609	62,277
Public relations officer's expenses	9,764	7,133
ACTRA website	3,517	3,314
	<b>171,450</b>	240,876
<b>Total</b>	<b>\$ 819,758</b>	<b>\$ 850,576</b>
Research	<i>Schedule G</i>	
Salaries	\$ 323,783	\$ 244,725
RRSP	25,290	19,476
General benefits	61,991	46,171
	<b>411,064</b>	310,372
Director expenses	4,743	10,721
Research materials and consultants	17,293	37,021
	<b>22,036</b>	47,742
<b>Total</b>	<b>\$ 433,100</b>	<b>\$ 358,114</b>
Industry Relations	<i>Schedule H</i>	
CMPA Prime Time Annual Conference	\$ 8,674	\$ 9,459
<b>Total</b>	<b>\$ 8,674</b>	<b>\$ 9,459</b>

# ACTRA NATIONAL

## SCHEDULE OF OPERATING EXPENSES

YEAR ENDED FEBRUARY 28, 2019

	2019	2018
External Relations		<i>Schedule I</i>
FIA affiliation fees	\$ 66,090	\$ 58,795
CLC affiliation fees	102,311	183,213
CLC committee and travel	1,032	59,429
Officer expenses - FIA	9,855	11,640
- FIANA	2,026	744
- SAG/AFTRA	-	8,865
Senior staff expenses - FIA	5,351	4,290
- FIANA	2,121	865
- SAG/AFTRA	-	6,076
<b>Total</b>	<b>\$ 188,786</b>	<b>\$ 333,917</b>
Finance, Human Resources and Administration		<i>Schedule J</i>
Salaries	\$ 1,015,725	\$ 979,475
RRSP	79,253	76,042
General benefits	158,862	147,788
	<b>1,253,840</b>	<b>1,203,305</b>
National Director of Finance and Administration expenses	1,702	2,108
Printing	13,336	12,205
Audit fees	13,723	13,267
Legal fees	9,960	3,667
Staff conference	21,668	25,404
Staff recruitment	710	673
Staff training	599	2,033
Staff appreciation	2,202	2,588
Bank charges	18,163	17,167
Alliance debt reduction (note 6)	4,695	4,494
	<b>86,758</b>	<b>83,606</b>
<b>Total</b>	<b>\$ 1,340,598</b>	<b>\$ 1,286,911</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2019**

	<b>2019</b>	2018
Information Technology and Digital Solutions	<i>Schedule K</i>	
Salaries	\$ 742,280	\$ 791,875
RRSP	60,635	66,498
General benefits	178,434	178,260
	<b>981,349</b>	1,036,633
Maintenance	29,778	3,267
Software	54,198	65,488
Hardware	5,739	7,131
Supplies	9,929	8,862
Network costs	57,209	57,886
Depreciation - computer equipment and systems	158,730	97,294
IS Director expenses	15,526	11,862
IS steering committee	1,602	1,415
	<b>332,711</b>	253,205
<b>Total</b>	<b>\$ 1,314,060</b>	<b>\$ 1,289,838</b>

Occupancy	<i>Schedule L</i>	
Rent	\$ 316,703	\$ 319,745
Telephone	6,552	7,442
Insurance	38,313	39,057
Supplies and miscellaneous	14,573	13,543
Postage	13,588	13,314
Courier	6,334	7,548
Furniture, fixtures and repairs	3,201	6,015
Equipment rental and leases	16,922	16,627
Depreciation - furniture and fixtures	26,185	24,031
<b>Total</b>	<b>\$ 442,371</b>	<b>\$ 447,322</b>

**HILBORN**

LISTENERS. THINKERS. DOERS.