

ACTRA PERFORMERS' RIGHTS SOCIETY
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2023

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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 28, 2023, 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 28, 2023, 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 18, 2023

Chartered Professional Accountants
Licensed Public Accountants

ACTRA PERFORMERS' RIGHTS SOCIETY

BALANCE SHEET

AS AT FEBRUARY 28, 2023

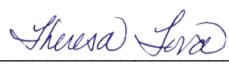
	2023	2022
ASSETS		
Current assets		
Cash	\$ 3,657,279	\$ 2,849,539
Accounts receivable	28,414	51,824
Prepaid expenses	54,764	59,689
	3,740,457	2,961,052
Capital assets (note 3)	30,260	56,110
	3,770,717	3,017,162
Trust assets		
Funds held in trust for performers (note 4)	17,364,165	8,650,676
Funds held in trust for minors (note 4)	14,697,983	13,515,382
	32,062,148	22,166,058
	35,832,865	25,183,220
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	614,934	560,926
Due to ACTRA National (note 6)	5,240	56,588
	620,174	617,514
Trust liabilities		
Funds held in trust for performers	14,822,111	6,185,258
Funds held in trust for performers - Unclaimed Monies (note 7)	2,542,054	2,465,418
Funds held in trust for minors	14,697,983	13,515,382
	32,062,148	22,166,058
NET ASSETS		
Unrestricted net assets	3,120,283	2,343,538
Invested in capital assets	30,260	56,110
	3,150,543	2,399,648
	\$ 35,832,865	\$ 25,183,220

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:



President



Treasurer

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 28, 2023

2023	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
Government subsidy	1,114	1,114	2,228
	3,011,380	1,706,263	4,717,643
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>)	216,458	529,803	746,261
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>)	86,166	142,255	228,421
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 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 OPERATIONS *(continued)*

YEAR ENDED FEBRUARY 28, 2023

2022	PRS - Claims	PRS - RACS	Total
Income			
Member service charges	\$ 540,662	\$ -	\$ 540,662
Non-member service charges	646,902	-	646,902
Minor's Trust service charges	76,371	-	76,371
Investment income	48,640	10,153	58,793
Administration fees			
Independent Production Agreement	343,732	-	343,732
Screen Actors Guild Pension	2,037	-	2,037
Private copying	-	139,302	139,302
Tariffs	-	1,223,611	1,223,611
IPA disbursement fee	162,550	-	162,550
Government subsidy	75,837	56,221	132,058
	1,896,731	1,429,287	3,326,018
Expenses			
Salaries and benefits <i>(Schedules A and E)</i>	1,131,973	1,211,925	2,343,898
Professional fees <i>(Schedules B and F)</i>	116,801	127,682	244,483
Bank charges and interest	18,789	14,443	33,232
Computer expenses and software	38,255	52,318	90,573
Courier	1,795	434	2,229
Depreciation - computer	3,255	3,411	6,666
Depreciation - computer programming	20,536	24,212	44,748
Depreciation - furniture and equipment	654	654	1,308
Director expenses <i>(Schedules C and G)</i>	29,448	38,069	67,517
Furniture and equipment	339	339	678
Insurance	7,632	7,632	15,264
Office supplies and miscellaneous	6,455	4,774	11,229
Postage	15,050	5,575	20,625
Printing	6,489	1,381	7,870
Rent	163,253	163,253	326,506
Research and development <i>(Schedules D and H)</i>	420	21,768	22,188
Storage costs	7,108	6,757	13,865
Telephone	3,749	3,199	6,948
Recovery of AFBS benefit reserve	(5,892)	(5,892)	(11,784)
	1,566,109	1,681,934	3,248,043
Excess of income over expenses for the year	\$ 330,622	\$ (252,647)	\$ 77,975

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED FEBRUARY 28, 2023

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 (deficit) - at end of year	\$ 141,714	\$ 2,978,569	\$ 3,120,283	\$ 30,260	\$ 3,150,543

2022	Unrestricted net assets			Invested in Capital Assets	Total
	PRS - Claims	PRS - RACS	Sub-Total		
Net assets (deficit) - at beginning of year	\$ (1,483,891)	\$ 3,704,871	\$ 2,220,980	\$ 100,693	\$ 2,321,673
Excess (deficiency) of income over expenses for the year	330,622	(252,647)	77,975	-	77,975
Purchase of capital assets	(4,973)	(3,166)	(8,139)	8,139	-
Depreciation	24,445	28,277	52,722	(52,722)	-
Net assets (deficit) - at end of year	\$ (1,133,797)	\$ 3,477,335	\$ 2,343,538	\$ 56,110	\$ 2,399,648

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 28, 2023

	2023	2022
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 4,229,035	\$ 3,170,408
Cash paid to employees and suppliers	(3,873,190)	(3,173,882)
Cash receipts from government subsidy	54,052	184,578
Cash received from investment income	457,967	58,793
	867,864	239,897
Cash flows from financing activities		
Advances to related organizations	(51,348)	(320,225)
Cash flows from investing activity		
Purchase of furniture, equipment and software	(8,776)	(8,139)
Change in cash during the year	807,740	(88,467)
Cash - at beginning of year	2,849,539	2,938,006
Cash - at end of year	\$ 3,657,279	\$ 2,849,539

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2023

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.

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.

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

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

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 28, 2023

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 2023.

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

Immediately following the sale of CASCUCU's assets to FirstOntario, CASCUCU, 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 CASCUCU or FirstOntario from any obligation to pay the redemption amount of the Class B Investment shares of CASCUCU 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 28, 2023, there was no profit reported by the Creative Arts Division of FirstOntario (\$Nil - 2022).

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2023

3. CAPITAL ASSETS

Details of capital assets are as follows:

<i>2023</i>	<i>Cost</i>	<i>Accumulated Amortization</i>	<i>Net Book Value</i>
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

<i>2022</i>	<i>Cost</i>	<i>Accumulated Amortization</i>	<i>Net Book Value</i>
Computer equipment	\$ 865,930	\$ 861,881	\$ 4,049
Computer software	1,404,076	1,358,558	45,518
Furniture and equipment	333,014	326,471	6,543
Leasehold improvements	24,478	24,478	-
	\$ 2,627,498	\$ 2,571,388	\$ 56,110

4. TRUST ASSETS

Funds Held in Trust for Performers

Details of investments are as follows:

Face Value/Unit	<i>2023</i>	<i>2022</i>
Investments, at amortized cost		
Cash in bank	\$12,806,950	\$ 4,189,337
Cash with broker	18,865	-
RBC Investment Savings Account	442,701	3,382,396
Guaranteed investment certificates:		
\$75,000 B2B Bank, 1.90% due December 18, 2023	75,285	75,293
\$100,000 Equitable Bank, 1.99% due December 18, 2023	100,398	100,409
\$100,000 General Bank of Canada, 1.93% due December 18, 2023	100,386	100,297
\$100,000 Home Equity Bank, 1.94% due December 18, 2023	100,388	100,399
\$100,000 Home Trust Company, 2.01% due December 18, 2023	100,402	100,793
\$100,000 Peoples Trust, 1.98% due December 18, 2023	100,396	100,407
\$3,000,000 RBC Cashable, 3.80% due January 10, 2024	3,015,303	-
\$100,000 RBC Mortgage Corp, 4.60% due January 10, 2025	100,618	-
\$100,000 Royal Trust Corp, 4.60% due January 10, 2025	100,618	-
\$100,000 BMO Mortgage Corp, 4.60% due January 10, 2025	100,618	-
\$100,000 Bank of Montreal, 4.60% due January 10, 2025	100,618	-
\$100,000 Fairstone Bank, 4.61% due January 10, 2025	100,619	-
\$100,000 CDN Western Bank, 1.31% due December 19, 2022	-	100,269
\$100,000 CDN Western Trust, 1.31% due December 19, 2022	-	100,269
\$100,000 Effort Trust, 1.33% due December 19, 2022	-	100,273
\$100,000 Laurentian Bank, 1.30% due December 19, 2022	-	100,267
\$100,000 LBC Trust, 1.30% due December 19, 2022	-	100,267
	17,364,165	8,650,676

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2023

4. TRUST ASSETS (continued)

Funds Held in Trust for Minors

Details of investments are as follows:

	2023	2022
Investments, at amortized cost		
Cash in bank	451,080	505,709
RBC Investment Savings Accounts	222,854	285,960
Guaranteed investment certificates:		
\$14,024,049 FirstOntario Credit Union, 4.15% (2022 - 1.65%) annual yield for each minor account	14,024,049	12,723,713
	14,697,983	13,515,382

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 \$174,848 at February 28, 2023 (\$90,689 - 2022).

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2023

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 Branches.

Amount due to ACTRA National of \$5,240 at year end (\$56,588 - 2022) is non-interest bearing, unsecured and due on demand.

7. DISTRIBUTION OF UNCLAIMED MONIES TO ACTRA BRANCHES

In the prior year, 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.

As a result of the motion, the Society disbursed \$692,218 in the prior year, representing the amounts available for use for fiscal 2020 and 2021, and further disbursed \$302,512 in the current year, representing the amounts available for use for fiscal 2022.

In the prior year, 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 at fiscal year end 2013 through 2019. Pursuant to the direction of ACTRA National Council and the ACTRA PRS Board, ACTRA PRS will distribute \$958,127 to ACTRA National when and if it is financially feasible. No distributions have been made from ACTRA PRS as at the date of the financial statements.

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	2024	\$	173,500
	2025		173,500
	2026		72,280
		\$	419,280

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 \$165,000 (\$168,000 - 2022).

ACTRA PERFORMERS' RIGHTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2023

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.

ACTRA PERFORMERS' RIGHTS SOCIETY

SCHEDULE OF EXPENSES - PRS - CLAIMS

YEAR ENDED FEBRUARY 28, 2023

	2023	2022
Schedule A		
Salaries and benefits		
Salaries	\$ 925,412	\$ 855,382
General benefits	196,191	187,178
RRSP benefits	87,181	87,527
Staff training and recruitment	22	1,886
	1,208,806	1,131,973
Schedule B		
Professional fees		
Audit fees	8,391	7,099
Consultant fees	15,927	19,245
Legal and arbitration fees	12,654	28,395
Document registration fees	69,798	62,062
Special projects	109,688	-
	216,458	116,801
Schedule C		
Director expenses		
PRS Board of Trustees meetings	-	660
Honoraria	27,088	26,931
Executive director's expenses	793	-
Directors' expenses	3,120	74
President's expenses	2,172	1,183
Staff expenses	720	250
Industry events	-	350
	33,893	29,448
Schedule D		
Research and development		
Resource materials	450	258
International association and membership activities	-	162
ITDS system development	85,716	-
	\$ 86,166	\$ 420

ACTRA PERFORMERS' RIGHTS SOCIETY

SCHEDULE OF EXPENSES - PRS - RACS

YEAR ENDED FEBRUARY 28, 2023

	2023	2022
Schedule E		
Salaries and benefits		
Salaries	\$ 990,038	\$ 945,422
General benefits	185,518	174,264
RRSP benefits	87,588	92,164
Staff training and recruitment	-	75
	1,263,144	1,211,925
Schedule F		
Professional fees		
Audit fees	8,391	7,099
Consultant fees	24,877	29,210
Legal fees	496,535	91,373
	529,803	127,682
Schedule G		
Director expenses		
PRS Board of Trustees meetings	-	600
Executive director's expenses	792	-
Directors' expenses	206	72
President's expenses	1,265	1,185
Staff expenses	571	350
Honoraria	27,088	26,931
Industry events	25,224	8,931
	55,146	38,069
Schedule H		
Research and development		
Resource materials	25	-
International association and membership activities	35,340	21,768
ITDS system development	36,120	-
IT upgrade	70,770	-
	\$ 142,255	\$ 21,768

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