



Consolidated Financial Statements

ACTRA Toronto

February 28, 2021

Contents

	Page
Independent Auditor's Report	1 - 2
Consolidated Balance Sheet	3
Consolidated Statement of Operations	4
Consolidated Statement of (Deficit) Surplus and Funds	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 16
Consolidated Schedule of Revenue	17
Consolidated Schedule of Expenses	18 - 21

Independent Auditor's Report

Grant Thornton LLP
Suite 200
15 Allstate Parkway
Markham, ON
L3R 5B4
T +1 416 366 0100
F +1 905 475 8906

To the Members of
ACTRA Toronto

Opinion

We have audited the consolidated financial statements of **ACTRA Toronto** ("the Organization"), which comprise the consolidated balance sheet as at February 28, 2021, and the consolidated statements of operations, (deficit) surplus and funds, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **ACTRA Toronto** as at February 28, 2021, and its consolidated results of operations and its consolidated 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 Consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Markham, Canada
June 1, 2021

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants
Licensed Public Accountants

ACTRA Toronto

Consolidated Balance Sheet

February 28

2021

2020

Assets

Current

Cash and cash equivalents	\$ 1,061,156	\$ 2,972,044
Term deposits (Note 3)	2,009,536	25,090
Accounts receivable (Note 4)	780,322	750,562
Current portion of loans receivable (Note 5)	89,277	202,096
Prepaid expenses	<u>22,286</u>	<u>88,182</u>
	3,962,577	4,037,974
Bonds held in trust for engagers	3,736,213	3,937,467
Long-term loans receivable (Note 5)	153,730	136,411
Investments (Note 6)	8,818,607	8,524,336
Investment in Creative Arts Savings & Credit Union Limited (Note 7)	-	1,219,148
Property and equipment (Note 8)	<u>211,091</u>	<u>263,875</u>
	<u>\$ 16,882,218</u>	<u>\$ 18,119,211</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 9)	\$ 1,368,253	\$ 1,363,340
Due to ACTRA Fraternal Benefit Society (Note 4)	436,811	423,687
Due to ACTRA National (Note 4)	<u>425,137</u>	<u>273,153</u>
	2,230,201	2,060,180
Deferred leasehold inducement	167,949	210,680
Due to engagers	<u>3,736,213</u>	<u>3,937,467</u>
	<u>6,134,363</u>	<u>6,208,327</u>

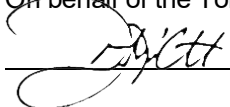
Funds (Page 5)

Internally restricted

Toronto Action / Defence Fund	6,069,656	6,069,656
Toronto Emergency Operating Expense Fund	4,528,532	4,528,532
Computer Systems Development Fund	22,370	22,370
Invested in Capital Assets Fund	211,091	263,875
Council Surplus	<u>167,342</u>	<u>167,342</u>
	10,998,991	11,051,775
(Deficit) surplus	<u>(251,136)</u>	<u>859,109</u>
	<u>10,747,855</u>	<u>11,910,884</u>
	<u>\$ 16,882,218</u>	<u>\$ 18,119,211</u>

Commitments (Note 10)

On behalf of the Toronto Branch Council

 President

 Treasurer

See accompanying notes to the consolidated financial statements.

ACTRA Toronto

Consolidated Statement of Operations

Year ended February 28

2021

2020

Revenue (Page 17)		
Members	\$ 4,511,418	\$ 6,168,322
Non-members	1,153,845	2,147,197
Other	2,351,856	2,897,469
Government subsidies	<u>1,017,506</u>	<u>-</u>
	<u>9,034,625</u>	<u>11,212,988</u>
Expenses (Pages 18, 19, 20 & 21)		
Union democracy and advocacy	207,373	582,647
Executive director's office	540,649	557,104
Communications unit	512,278	622,667
Membership services unit	640,654	683,797
Film, tv and digital media unit	1,545,535	1,773,996
Commercial production unit	905,458	1,062,127
Finance unit	1,016,177	1,134,052
Reception	77,405	229,897
Occupancy and office	748,567	811,591
Data, statistics and information technology	267,688	295,617
Affiliations	40,690	40,580
Legal fees	74,482	54,279
Transfers to ACTRA National	<u>2,002,437</u>	<u>2,378,844</u>
	<u>8,579,393</u>	<u>10,227,198</u>
Excess of revenue over expenses before the undernoted	455,232	985,790
Provision for impairment of loans receivable (Note 5)	(29,113)	(28,432)
Unrealized gain (loss) on investment in Creative Arts Savings & Credit Union Limited (Note 7)	948,227	(406,382)
Realized loss on investment in Creative Arts Savings & Credit Union Limited (Note 7)	<u>(2,537,375)</u>	<u>-</u>
	<u>\$ (1,163,029)</u>	<u>\$ 550,976</u>

See accompanying notes to the consolidated financial statements.

ACTRA Toronto

Consolidated Statement of (Deficit) Surplus and Funds

Year ended February 28

2021

2020

Toronto Action / Defence Fund

Balance, beginning of year	\$ 6,069,656	\$ 6,026,368
Allocated during the year	<u>-</u>	<u>43,288</u>
Balance, end of year	<u>\$ 6,069,656</u>	<u>\$ 6,069,656</u>

Toronto Emergency Operating Expense Fund

Balance, beginning of year	\$ 4,528,532	\$ 4,360,372
Allocated during year	<u>-</u>	<u>168,160</u>
Balance, end of year	<u>\$ 4,528,532</u>	<u>\$ 4,528,532</u>

Computer Systems Development Fund

Balance, beginning of year	\$ 22,370	\$ 22,370
Allocated during year	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 22,370</u>	<u>\$ 22,370</u>

Invested in Capital Assets Fund

Balance, beginning of year	\$ 263,875	\$ 155,018
Fund transfer	<u>(52,784)</u>	<u>108,857</u>
Balance, end of year	<u>\$ 211,091</u>	<u>\$ 263,875</u>

Council Surplus

Balance, beginning of year	\$ 167,342	\$ 167,342
Allocated during year	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 167,342</u>	<u>\$ 167,342</u>

(Deficit) surplus

Balance, beginning of year	\$ 859,109	\$ 628,438
Fund transfers	52,784	(320,305)
Allocated during the year	<u>(1,163,029)</u>	<u>550,976</u>
Balance, end of year	<u>\$ (251,136)</u>	<u>\$ 859,109</u>

See accompanying notes to the consolidated financial statements.

ACTRA Toronto

Consolidated Statement of Cash Flows

Year ended February 28

2021

2020

Increase in cash and cash equivalents

Operating		
(Deficiency) excess of revenue over expenses	\$ (1,163,029)	\$ 550,976
Realized loss on investment in Creative Arts		
Savings & Credit Union Limited	2,537,375	-
Unrealized (gain) loss on investment in Creative Arts		
Savings & Credit Union Limited	(948,227)	406,382
Amortization	78,241	103,374
Provision for impaired loans	29,113	28,432
Change in unrealized depreciation (appreciation)		
of investments	11,996	(177,832)
	<u>545,469</u>	<u>911,332</u>
Change in non-cash operating working capital		
Accounts receivable	(29,760)	(152,592)
Prepaid expenses	65,896	24,465
Accounts payable and accrued liabilities	4,913	14,937
Deferred lease inducement	(42,731)	94,569
	<u>543,787</u>	<u>892,711</u>
Financing		
Advances from (to) ACTRA National, net	151,984	(6,485)
Advances from ACTRA Fraternal Benefit Society, net	13,124	14,989
	<u>165,108</u>	<u>8,504</u>
Investing		
(Purchase of) proceeds from term deposits, net	(1,984,446)	384,032
Purchase of property and equipment	(25,457)	(212,231)
Purchase of investment in Addenda Commercial		
Mortgage Fund	(306,373)	(301,793)
Purchase of investment in Creative Arts		
Savings & Credit Union Limited	(370,000)	-
Proceeds on disposition of investments	106	-
Repayments of loans receivable, net	66,387	124,053
	<u>(2,619,783)</u>	<u>(5,939)</u>
(Decrease) increase in cash and cash equivalents	(1,910,888)	895,276
Cash and cash equivalents, beginning of year	<u>2,972,044</u>	<u>2,076,768</u>
Cash and cash equivalents, end of year	<u>\$ 1,061,156</u>	<u>\$ 2,972,044</u>

See accompanying notes to the consolidated financial statements.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

1. Nature of operations

ACTRA Toronto (AT) is the largest branch of ACTRA (the Alliance of Canadian Cinema, Television and Radio Artists), the union representing performers in the film, radio, television and new media industries.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations ("ASNPO"). ASNPO require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the choices selected by AT and applied in these financial statements.

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. The significant estimates in these financial statements have reflected the amounts recorded for impairment of investments, impairment of loans receivable and amortization of property and equipment.

Principles of consolidation

The consolidated financial statements include the accounts of ACTRA Toronto, and its wholly-owned subsidiary, ACTRA Toronto Sponsor Inc. All significant intercompany transactions and balances have been eliminated.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Investments

The investment in the Creative Arts Savings & Credit Union Limited is accounted for at cost, which is the initial amount paid for the investment. The carrying value of the investment is written down to net realizable value when the decline in value of the investment is considered to be other than temporary.

Investments in marketable securities

Investments in marketable securities are equity instruments quoted in an active market and accounted for at fair value with changes in fair value recorded in net income.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

Computer equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	over term of lease

AT tests for impairment when events or changes in circumstances indicate the carrying amount of an item, or class, of property and equipment may not be recoverable. The recoverability of long lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount. Fair value is determined based on quoted market prices when available, otherwise on the discounted cash flows over the life of the asset.

Deferred leasehold inducements

Deferred leasehold inducements are amortized into the statement of operations over the term of the lease.

Funds

Toronto Action / Defence Fund

This fund has been established for use in times of crisis such as an actor's strike.

Toronto Emergency Operating Expense Fund

This fund has been established for use only if there is a shortfall in any budgetary year caused by extraordinary events.

Computer Systems Development Fund

This fund has been established for ongoing upgrades to the Branch's computer systems.

Invested in Capital Assets Fund

This fund represents the carrying value of the capital assets held by the Branch.

Council Surplus

This fund has been established for special council projects.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

2. Summary of significant accounting policies (continued)

Financial instruments

AT's financial instruments consist of cash and cash equivalents, term deposits, bonds held in trust for engagers, accounts receivable, loans receivable, investments, accounts payable, and amounts due (to) from related parties and amounts due to engagers.

Initial measurement

AT's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, AT measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. AT has also irrevocably chosen to measure its investments in bonds and other fixed income instruments at fair value. All changes in fair value of AT's investments in equities quoted in an active market are recorded in the statement of operations. AT uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations for items measured at cost or amortized cost. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, loans receivable, investments, bonds held in trust for engagers, accounts payable, and amounts due from related parties.

For financial assets measured at cost or amortized cost, AT regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and AT determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Revenue recognition

Revenue is recognized when pervasive evidence of an arrangement exists, services have been rendered, and there are no significant obligations remaining, the price is fixed or determinable and collectability is assured.

Government assistance

AT recognizes government assistance toward current expenses in the consolidated statement of operations in the fiscal year in which they are earned. When assistance relates to future expenses, AT defers the assistance and recognizes it in the consolidated statement of operations as the related expenses are incurred. AT has elected to present the government assistance received separately in the consolidated statement of operations.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

2. Summary of significant accounting policies (continued)

COVID-19 related lease concessions

In November 2020, the Accounting Standards Board amended Section 3065 *Leases* to provide relief for both lessees and lessors on accounting for rent concessions as a result of the COVID-19 pandemic. Lessees and lessors that meet certain qualifying criteria will be able to elect, on a lease-by-lease basis, to apply a practical expedient to account for waivers and deferrals. The amendments apply to annual financial statements relating to fiscal years ending on or after December 31, 2020. However, earlier application is permitted, including in financial statements not yet authorized for issue.

AT has adopted these amendments for qualifying lease arrangements that have been modified to provide waivers of rental payment due to the COVID-19 pandemic.

3. Term deposits

	<u>2021</u>	<u>2020</u>
Creative Arts Savings & Credit Union Limited – bears interest at 1.65%, matures September 11, 2023	\$ 2,009,536	\$ 9,381
Vancouver City Savings Credit Union- bears interest at 1.20% and matured July 2020	-	15,709
	<u>\$ 2,009,536</u>	<u>\$ 25,090</u>

4. Related party transactions

	<u>2021</u>	<u>2020</u>
The Branch had the following transactions with related parties:		
(a) Transfers to (from) ACTRA National		
Per capita payments	\$ 2,002,437	\$ 2,378,844
Other revenue	<u>(164,983)</u>	<u>(254,072)</u>
	<u>\$ 1,837,454</u>	<u>\$ 2,124,772</u>
(b) Transfers from ACTRA Performers Rights Society (“APRS”)	<u>\$ (18,453)</u>	<u>\$ (1,888)</u>
(c) Transfers to ACTRA Fraternal Benefit Society RRSP, health and insurance premiums	<u>\$ 13,841,690</u>	<u>\$ 21,489,894</u>

Included in other income is an amount of \$303,448 (2020 – \$275,000) which represents an allocation of excess surplus from ACTRA National.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

4. Related party transactions (continued)

Included in accounts receivable is an amount of \$307,087 (2020 - \$294,683) due from Creative Arts Savings & Credit Union Limited ("CASCU") and other affiliated branches of ACTRA National.

The amounts due from related parties consist of deposit re-allocations and reimbursements to affiliated branches of ACTRA National, as well as amounts due from ACTRA National itself. These amounts are non-interest bearing and are due on demand.

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

5. Loans receivable

	<u>2021</u>	<u>2020</u>
Loans receivable – line of credit	\$ 134,229	\$ 222,265
Loans receivable – term loans	<u>192,163</u>	<u>170,514</u>
	326,392	392,779
Less: provision for impaired loans	<u>(83,385)</u>	<u>(54,272)</u>
	243,007	338,507
Less: current portion	<u>(89,277)</u>	<u>(202,096)</u>
Long term	<u>\$ 153,730</u>	<u>\$ 136,411</u>

Term loans mature over a 5 year period. Interest on loans ranges from 0% to 11%.

In 2019 AT purchased a portfolio of 67 unsecured personal loans from CASCU at their face value of \$606,277 through a Personal Loan Sale and Administration Agreement. During the year, CASCU received total principal repayments of \$66,387 (2020 - \$124,053), and interest of \$9,648 (2020 - \$18,789), on behalf of AT.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

6. Investments

	Number of Units	Average Cost	2021 Fair Value	2020 Fair Value
Addenda Corporation Mortgage Fund	792,107	\$ 8,672,245	<u>\$ 8,818,607</u>	<u>\$ 8,524,230</u>
Return on Innovation Fund Inc., at cost (100 Class B shares)			-	100
Vancouver City Savings Credit Union, at cost (5 common shares)			-	6
			-	106
			<u>\$ 8,818,607</u>	<u>\$ 8,524,336</u>

During the year, Return on Innovation Fund Inc. ("ROI") merged with another Fund ending the relationship with AT as the sponsor of ROI's Labour-Sponsored Venture Capital Fund. As a result, AT redeemed its shares in ROI for proceeds of \$100. In addition, AT redeemed its shares in Vancouver City Savings Credit Union for proceeds of \$6.

7. Investment in Creative Arts Savings & Credit Union Limited ("CASCU")

	2021	2020
Investment in Class B shares, at cost	\$ 2,537,375	\$ 2,167,375
Realized loss on redemption of shares	(2,537,375)	-
Provision for unrealized loss	-	(948,227)
	<u>\$ -</u>	<u>\$ 1,219,148</u>

During the year, AT purchased 370,000 Class B shares of CASCU for cash consideration of \$370,000.

Effective October 31, 2020, Creative Arts Savings & Credit Union Limited was purchased by FirstOntario Credit Union Limited ("FirstOntario"). Pursuant to the terms of the sale, AT entered into a release of its Institutional Shareholder's rights to the redemption of the Class B shares previously held. As a result, the investment in CASCU was written off and is reflected as a realized loss on investment in CASCU of \$2,537,375 and an unrealized gain of \$948,227. In exchange for the release of the redemption rights, AT has entered into a Profit Participation Agreement with the Creative Arts Division of FirstOntario.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

8. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2021 Net Book Value</u>	<u>2020 Net Book Value</u>
Computer equipment	\$ 693,087	\$ 669,994	\$ 23,093	\$ 15,980
Furniture and fixtures	381,152	358,040	23,112	33,827
Leasehold improvements	<u>976,280</u>	<u>811,394</u>	<u>164,886</u>	<u>214,068</u>
	<u>\$ 2,050,519</u>	<u>\$ 1,839,428</u>	<u>\$ 211,091</u>	<u>\$ 263,875</u>

9. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$17,491 (2020 – receivable \$3,003).

10. Commitments

AT has entered into an agreement to lease its premises through July 31, 2025. Minimum payments for the premises for each of the next five years, are as follows:

2022	\$ 376,808
2023	397,855
2024	412,889
2025	412,889
2026	<u>206,445</u>
	<u>\$ 1,806,886</u>

11. Awards

	<u>2021</u>	<u>2020</u>
Awards expenditures	\$ 46,000	\$ 195,257
Less: sponsorships received	(46,000)	(155,300)
Guest fees	<u>-</u>	<u>(7,700)</u>
Awards, net	<u>\$ -</u>	<u>\$ 32,257</u>

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

12. Financial risk management

In the normal course of business, AT's activities expose it to a variety of risks associated with financial instruments, as follows: market risk (including price risk, currency risk and interest rate risk), credit risk, and liquidity risk.

Market risk

AT's investments in marketable securities are subject to market risk which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Price risk

AT is exposed to price risk, which is the risk that the fair value of investments in marketable securities will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether caused by factors specific to an individual investment or all factors affecting all investments traded in a market or market segment. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments held by AT is determined by their fair value. Financial instruments held are susceptible to fair value fluctuations arising from uncertainties about future market prices of the instruments.

A 5% fluctuation in market prices of AT's investments in marketable securities with all other factors remaining constant would have an impact on the excess of revenue over expenses of \$440,930.

Currency risk

Currency risk is the risk that the value of investments in marketable securities denominated in currencies, other than the Canadian dollar, will fluctuate due to changes in foreign exchange rates. As at February 28, 2021, AT did not hold any investments denominated in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. AT is exposed to interest rate risk through its investment in term deposits.

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. AT's main credit risks are its accounts receivable and loans receivable.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

12. Financial risk management (continued)

Liquidity risk

Liquidity risk is the potential that AT will encounter difficulty in meeting the obligations associated with its financial liabilities. AT is exposed to this risk mainly in respect of its accounts payable and due to related parties. AT reduces exposure to liquidity risk by ensuring it maintains adequate cash reserves to pay trade creditors and amounts due to related parties.

13. Fair value measurement and disclosures

AT's assets recognized at fair value have been categorized based upon a fair value hierarchy.

AT classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted price (unadjusted) in active markets for identical assets or liabilities that the Investment Manager can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Inputs are unobservable for the asset or liability and require significant management judgment or estimation.

If different levels of inputs are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes in valuation methods may result in transfers into or out of an investment's assigned level. The following table illustrates the classification of AT's investments measured at fair value within the fair value hierarchy:

	Investments			
	Level 1	Level 2	Level 3	Total
As at				
February 28, 2021	\$ -	\$ 8,818,607	\$ -	\$ 8,818,607
February 29, 2020	\$ -	\$ 8,524,230	\$ -	\$ 8,524,230

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

ACTRA Toronto

Notes to the Consolidated Financial Statements

February 28, 2021

13. Fair value measurement and disclosures (continued)

a) *Short-term investments*

Short-term investments are stated at amortized cost, which approximates fair market value.

There were no transfers between levels during reporting periods.

14. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

15. Impact of COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada and the USA, businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Due to pandemic related safety measures in place by the government, the film, radio, television and new media industries saw a slow down due to restrictions in place. As a result, AT saw a decline in revenues in the year and as such, was eligible to receive government assistance in order to minimize the financial impact of the pandemic. AT received wage subsidies of \$994,160 through the Canada Emergency Wage Subsidy ("CEWS") and rent subsidies of \$23,346 through the Canada Emergency Rent Subsidy ("CERS"). Both amounts have been presented as revenue in the statement of operations.

The duration and impact of the pandemic, as well as the effectiveness of government and central bank responses remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of AT for future periods. AT intends to continue operating in accordance with government restrictions in place and will continue to apply for government assistance, where applicable.

ACTRA Toronto

Consolidated Schedule of Revenue

Year ended February 28

2021

2020

Members		
Basic dues	\$ 1,489,690	\$ 1,875,110
Working dues	2,338,644	3,155,566
Initiation	323,511	609,767
Withdrawal fees	10,570	12,819
Reinstatement fees	20,493	20,952
Members fines	1,250	1,950
Apprentice dues and initiation fees	182,008	215,185
Apprentice permits	131,314	249,202
AABP dues	13,938	27,771
	<u>4,511,418</u>	<u>6,168,322</u>
Non-members (work permit fees)		
Resident	691,351	1,189,426
Non-resident	462,494	957,771
	<u>1,153,845</u>	<u>2,147,197</u>
Other		
Administrative fees - IPA	570,605	878,970
- Other	98,610	70,861
Contract service fees	117,050	153,646
10% service charges	279,047	482,766
Other income	461,004	458,164
Employee benefit surplus	296,949	-
Transfer from National (Note 4(a))	164,983	254,072
Interest	375,603	421,158
Change in fair value of investments	(11,995)	177,832
	<u>2,351,856</u>	<u>2,897,469</u>
Government Subsidies		
Canada emergency wage subsidy	994,160	-
Canada emergency rent subsidy	23,346	-
	<u>1,017,506</u>	<u>-</u>
	<u>\$ 9,034,625</u>	<u>\$ 11,212,988</u>

ACTRA Toronto

Consolidated Schedule of Expenses

Year ended February 28

2021

2020

Union Democracy and Advocacy

Honoraria

President, Treasurer, & VP Honorarium	\$ 102,169	\$ 114,287
Advocate & Ombudsperson Honorarium	29,333	28,573
Council & Committees	50,640	82,828
Insurance & Retirement	18,827	14,478
President's Expenses & Travel	902	9,657
Council & Stunt Elections	-	12,979
Diversity & Outreach Partnerships	-	6,700
	<u>201,871</u>	<u>269,502</u>

Stakeholder Committees & Caucuses

Act Your Age	111	1,804
Diversity & Inclusion Committee	400	2,910
OutACTRAto Committee	-	829
TAWC	(23)	4,738
Voice Committee	1,100	849
YEAA	1,070	5,386
FMBG/Apprentice/AABP Meetings & Workshops	-	1,342
	<u>2,658</u>	<u>17,858</u>

Annual Events and Standing Committees

ACTRA Awards	-	32,257
Editorial Board (Performers Publications)	687	41,348
Events, Festivals and Conferences	810	6,915
Legacy & Archives	-	1,428
Member Conferences and Town Hall Meetings	877	196,403
Pride and Labour Day Parades	(150)	8,653
ASL Interpreters	620	4,080
	<u>2,844</u>	<u>291,084</u>

Council Initiatives & Projects

Focus on Canada		
Government Relations Committee/Lobbying and Campaign	-	2,087
Focus on Performance		
Childcare Subsidy	-	2,116
	<u>-</u>	<u>4,203</u>
	<u>\$ 207,373</u>	<u>\$ 582,647</u>

Executive Director's Office

Salaries	\$ 400,927	\$ 431,287
General benefits	85,699	64,114
RRSP	41,016	45,664
Travel & expenses	(680)	9,617
Industry relations expenses	1,087	6,422
Consultants and projects	12,600	-
	<u>540,649</u>	<u>557,104</u>

ACTRA Toronto

Consolidated Schedule of Expenses (continued)

Year ended February 28 2021 2020

Communications Unit		
Salaries	\$ 331,927	\$ 357,124
General benefits	57,398	53,015
RRSP	37,261	39,064
Marketing and Outreach	34,019	109,278
Sponsorships	37,081	19,800
Subscriptions and periodicals	7,329	4,945
Director expenses	-	687
Member education	7,263	16,338
Promotional items	-	22,416
	<u>512,278</u>	<u>622,667</u>
Membership Services Unit		
Salaries	447,423	496,093
General benefits	109,729	97,705
RRSP	47,461	58,388
HAVEN	36,041	29,750
Gordon Pinsent Studio	-	1,369
Director expenses	-	492
	<u>640,654</u>	<u>683,797</u>
Film, tv and digital media unit		
Salaries	1,059,818	1,266,580
General benefits	223,733	216,880
RRSP	136,978	127,143
TIP administration	-	36,706
Business Representative expenses	347	6,775
OSLO per diems	8,555	76,435
OSLO training	(56)	2,288
OSLO expenses	3,304	16,935
Stunt Community Liaison	12,639	12,418
Director expenses	217	11,836
COVID contract support	100,000	-
	<u>1,545,535</u>	<u>1,773,996</u>
Commercial Production Unit		
Salaries	676,837	828,723
General benefits	152,572	135,080
RRSP	74,204	91,751
Business Representative expenses	-	58
OSLO per diems	707	3,555
OSLO expenses	249	1,294
Director expenses	889	1,666
	<u>905,458</u>	<u>1,062,127</u>

ACTRA Toronto

Consolidated Schedule of Expenses (continued)

Year ended February 28

2021

2020

Finance Unit

Salaries	\$ 487,328	\$ 498,102
General benefits	110,631	88,619
RRSP	51,730	50,231
Accounting and auditing costs	60,000	68,000
Office supplies	24,552	36,913
Letterhead and other printing	1,007	2,013
Postage	15,519	25,589
GST/HST expenses	72,658	134,234
Health benefits for retirees	71,306	63,242
Sundries	2,828	13,707
Staff development	2,798	11,493
Visa charges	51,959	67,123
MasterCard charges	33,979	44,260
AMEX charges	5,433	5,513
Bank charges	23,892	23,635
Courier	545	580
Director expenses	12	798
	<u>1,016,177</u>	<u>1,134,052</u>

Reception

Salaries	49,766	177,077
General benefits	23,658	38,726
RRSP	3,981	14,094
	<u>77,405</u>	<u>229,897</u>

Occupancy and Office

Rent and property taxes	586,567	620,863
Office equipment contracts and leases	27,591	35,931
Telephone	28,805	25,954
Insurance	38,366	39,460
Leased Assets	49,182	61,898
Furniture capital costs (incl. Depreciation)	18,056	27,485
	<u>748,567</u>	<u>811,591</u>

Data, Statistics and Information Technology

Salaries	170,043	190,829
General benefits	48,803	43,501
RRSP	18,915	22,792
Amortization - hardware	11,833	18,167
Maintenance	2,902	2,922
Software, supplies, programming	13,221	14,981
Security systems	1,971	2,425
	<u>267,688</u>	<u>295,617</u>

ACTRA Toronto

Consolidated Schedule of Expenses (continued)

Year ended February 28 2021 2020

Affiliations		
Ontario Federation of Labour	\$ 7,560	\$ 7,560
Film Ontario	30,000	30,000
Toronto District and Labour Council	<u>3,130</u>	<u>3,020</u>
	<u>40,690</u>	<u>40,580</u>
Legal fees	<u>74,482</u>	<u>54,279</u>
Total Branch Expenses	<u>\$ 6,576,956</u>	<u>\$ 7,848,354</u>
Transfers to ACTRA National		
Per capita payments (Note 4(a))	<u>\$ 2,002,437</u>	<u>\$ 2,378,844</u>
Total Revenues	9,034,625	11,212,988
Total Branch Expenses	6,576,956	7,848,354
Transfers to ACTRA National	<u>2,002,437</u>	<u>2,378,844</u>
Excess of revenue over expenses	<u>\$ 455,232</u>	<u>\$ 985,790</u>