

2016 ANNUAL REPORT

ACTA Annual General Meeting
Toronto, ON
June 14, 2017



ACTA
CELEBRATING 40 YEARS

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Message from the Chair, Mary Jane Hiebert



Dear Members,

2016 marked my second year as Chair of the Association of Canadian Travel Agencies (ACTA). I am very proud to have the opportunity to represent my peers through my position at ACTA. During my experience as Chair I have witnessed many accomplishments through the team's commitment to the priorities outlined in ACTA's core pillars of "**Advocate**", "**Educate and Elevate**", "**Promote**" and "**Connect**".

In the year ahead with the support of the ACTA Board of Directors, members can expect to see ACTA continue to build on its authority as the collective voice of travel agencies throughout Canada. You can expect additional focus to be placed on better serving our members and making significant progress on the strategic priorities.

As Chair I have the benefit of witnessing from the front lines, my investment in membership and how it continues to pay off through ACTA's work. I am confident that in the year ahead our members will see that the association remains laser focused on the priorities and initiatives set out by the Board of Directors with you, our members, top of mind.

Kind regards,

Mary Jane Hiebert
Chair of the Board | Association of Canadian Travel Agencies

Message from the President, Wendy Paradis



Dear Members,

As another year draws to a close and we once again find ourselves planning for the future, we must take time to reflect on the events of 2016, which we hope was one of health and success for you and your business. For ACTA, we continued to make progress on our initiatives, while forming deeper relationships with new and existing members, partners and government.

Canada's Travel Agencies organized the travel arrangements for millions of Corporate and Leisure travelers across the country and abroad in 2016. Corporate Canada and Canadian consumers continued to travel while the travel suppliers increased capacity and opened new destinations. We are witnessing the trend of the "Mega Travel Company" through mergers and acquisitions, while at the same time we see growth in the Independent Contractor space. In any case, the value of the Travel Agent continues to be recognized by the consumer resulting in solid revenue performance for many of our members.

Over the past year, ACTA as a key stakeholder, has engaged government in change that will enable secure and sustainable travel agency businesses. On behalf of our members ACTA has shown progress with Federal and Provincial regulators, suppliers and organizations like IATA. Our work, independently and through coalitions, such as Small Business Matters (SBM) and the World Travel Agency Alliance Association (WTAAA) has been key towards ACTA'S progress this past year.

Furthermore, realizing the desire for the Travel Agency community for continuous learning, ACTA continued to develop certification and education programs that align with the "future" needs of our members to help them grow professionally and comply with the standards of regulators.

Throughout the upcoming year, ACTA will be coming to a city near you to host premium networking events. We will be connecting decision makers and influencers throughout our industry and listening to understand how we can best support you as your trade association.

The year ahead is full of opportunities and challenges. We look forward to continuing our efforts and hope that we can count on your participation. Thank you to the Members of the ACTA Board of Directors, ACTA Regional Councils and Committees who volunteer their free time to make ACTA a true representation of our industry. Together we can show the passion we have for our Industry's success and make a true difference.

2016... A YEAR IN REVIEW

ACTA's mission is to foster the success and prosperity of our travel agency members. Our mandate is to ensure consumers have professional and meaningful travel counselling by providing effective leadership in a number of key strategic areas on behalf of the retail travel industry members. A snapshot of the priority issues under our four "pillars" of Advocate, Educate, Promote and Connect are listed below:

Advocate – *in the best interests of the retail travel industry to government, suppliers and other organizations through one strong voice.*

Travel Health Insurance:

- Worked with the Travel Health Insurance Association (THiA) toward an objective of one standard for selling travel insurance across Canada. Contributed to the Canadian Council of Insurance Regulators (CCIR) recent review of any existing misalignment between consumer's expectations and industry practices. Engaged the Alberta Insurance Council in fruitful dialogue on the importance of our involvement in decisions surrounding the sale of Travel Health Insurance.

Government and Regulation:

- ACTA was nominated and accepted for a seat at Québec's OPC stakeholder meetings.
- The Ontario government opened the Travel Industry Act for a full review and ACTA was closely involved in this process on behalf of our members. The Ontario government also reviewed the Employment Standards Act which ACTA responded to and will continue to monitor next steps in this process.

IATA:

- ACTA sits on an IATA joint committee with equal representation between retailers and airlines. Of upcoming importance is the review of the Local Financial Criteria, which can impact your financial requirements if you hold an IATA appointment. ACTA negotiated a delay in the implementation of the fee for HOT files and a price differential during a transition period, saving thousands of dollars for ACTA members. ACTA evaluated concerns related to credit capping under IATA's new generation of their settlement systems, which facilitates the distribution and settlement of funds in between travel agents and airlines. IATA formed a Working Group to look into Agency Debit Memos. ACTA will continue to advise members of their progress.

Educate – *industry standards and professionalism through certification, accreditation and other learning opportunities.*

ACTA Learning Campus:

- Certified Travel Counsellor and Certified Travel Manager prep courses available online.
- All Air Canada Global Sales University modules available.
- Supplier specialist programs available for your continuing education requirements.

Promote – *the value of the retail travel industry to the travelling public and actively position the travel agent as the authority in travel.*

- ACTA contributed as an expert resource for consumer facing media on topics allowing us to promote the value of a Travel Agent to consumers. ACTA promoted our members at consumer shows (in cities including Halifax, Montreal, Kingston, Ottawa, Winnipeg, Calgary and Edmonton) and through our websites and directories.

Connect – *our members with the information, contacts and programs they need to be more effective.*

- ACTA provided successful opportunities for members to learn, network and share ideas including: conferences (Travel MarketPlace, Educator’s and Student), golf tournaments and seminars (fraud).
- ACTA offered Member Discount Programs to reduce operating expenses including: Insurance, savings on Canada Post pre-paid envelopes, and savings on credit card merchant services to name a few.
- ACTA finalized the Service Fee Report in 2016 which was offered complimentary to participating members.

Minutes – Annual General Meeting, May 3, 2016

MINUTES of the ANNUAL GENERAL MEETING of the ASSOCIATION OF CANADIAN TRAVEL AGENCIES MISSISSAUGA, ONTARIO MAY 3, 2016

Introduction by Chair

ACTA Chair, Mary Jane Hiebert, welcomed attendees and called the meeting to order at 3:06 pm. She introduced the head table: Heather Craig-Peddie, Vice President.

Appointment of Secretary

Heather Craig-Peddie, Vice President for ACTA, was appointed to act as Secretary for the purposes of today’s meeting.

Introduction of Directors

The Chair introduced the ACTA Directors present at the AGM: Anthony Tonkinson (Chair, Alberta-Northwest Territories), Sharon Kaendo (Chair, Saskatchewan), Mike Foster (Chair, Ontario), Marilyn Long CTM (Chair, Atlantic), Norman Payne CTC CTM (Director at Large), and Michael Thompson (Board Appointee). She extended regrets from those Directors who were unable to attend: Lindsay Pearlman (Board Appointee), Rita Polegri (Director at Large), and Arend Roos (Board Appointee). The Chair also introduced the new regional Chairs and Nominees to the Board of Directors: André Desmarais (Chair, Québec) and Liz Fleming (Chair, BC-Yukon). The Chair acknowledged and thanked outgoing members of the Board of Directors for their commitment and service to ACTA over many years: Louise Blanchette CTM, David Elmy, and Lindsay Pearlman. The Chair recognized our event sponsor, Sabre Travel Network. Unfortunately Grant Rodewald, Director of Sales, was unable to attend, but greetings were extended by the Chair on behalf of Sabre. She talked about the terrific working relationship we have with Sabre and how much is gained on the education of the industry and issues.

The Chair recognized guests in the audience including Richard Smart and Dorian Werda.

Verification of Quorum

Appointment of Scrutineer

Motion: That **Fiona Bowen** act as scrutineer for this meeting.

Moved by **Sharon Kaendo** and seconded by **Marilyn Long CTM**.

All in favour. None opposed. None abstained. **CARRIED**. The Chair declared the motion passed.

The Chair noted that the notice of meeting was sent to members on **April 11, 2016** in accordance with our bylaws, and she outlined the rules of procedure for the meeting.

The scrutineer reported that the quorum requirement had been met – the lesser of a) 15% of the voting membership, and b) twenty-five (25) members – and it was declared that the meeting was duly constituted for the transaction of business.

1. Approval of the Minutes of the AGM held on May 12, 2015

Motion: That the Minutes of the Annual General Meeting held May 12, 2015 be approved as presented.

Moved by **Marilyn Long CTM** and seconded by **Sharon Kaendo**.

All in favour. None opposed. None abstained. **CARRIED.** The Chair declared the motion passed.

2. Annual Report from the Chair

The Chair recalled 2015 as her first year as the Chair of ACTA. Accomplishments were achieved through the team's commitment to the strategic pillars of "advocate", "educate", "promote" and "connect". The Chair provided highlights on activities such as moving into online training through the ACTA Campus, the launch of bookwithatravelagent.ca to promote and connect our members to the consumer, and the submission and meeting with the Canadian Transportation Agency Review pane to name a few.

The Chair added that in the coming year you can expect ACTA to maintain its leadership role as the only active voice for travel agencies in Canada. The Chair stated that in her position, she has front line exposure to her investment in membership and how it continues to pay off through ACTA's efforts.

The Chair concluded with a look ahead to 2016. She stated she is confident that under ACTA's new President Wendy Paradis, members will see that the association remain focused on the strategic priorities and initiatives set out by the Board of Directors with the members, top of mind.

The Chair extended thanks to everyone involved at all levels, be it Board, Council or members who contribute in time, feedback and dollars, as it is through their commitment to the organization that has elevated us to where we are today.

3. Financial Statements for the Fiscal Year Ended December 31, 2015 and Report of the Auditors

The Chair presented the audited 2015 Financial Statements.

Motion: That the 2015 Financial Statements be approved as presented.

Moved by **Anthony Tonkinson** and seconded by **Liz Fleming**.

All in favour. None opposed. None abstained. **CARRIED.** The Chair declared the motion passed.

4. Appointment of Auditors for 2016 fiscal year

Motion: That Cooper Bick Chen LLP be appointed the auditors for ACTA for 2016 and that the Board of Directors be authorized to fix their remuneration.

Moved by **Michael Foster** and seconded by **Liz Fleming**.

All in favour. None opposed. None abstained. **CARRIED.** The Chair declared the motion passed.

5. Election of Directors of the Corporation

The Chair stated that it was time to elect the Directors of the Corporation.

On February 29th, ACTA advised Members of the call for nominations. Applications for the nine positions open were received by the deadline. The Nominating Committee met to review the nominations and proposed a slate of Directors. The slate was sent to the Members and a deadline was provided should any Member wish to stand for election. No positions were challenged and the proposed slate of directors currently stands. For each position, the Chair asked for a vote to elect the nominee:

Vote: to elect **Liz Fleming** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Liz Fleming as Director.

Vote: to elect **Anthony Tonkinson** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Anthony Tonkinson as Director.

Vote: to elect **Sharon Kaendo** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Sharon Kaendo as Director.

Vote: to elect **Mary Jane Hiebert** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Mary Jane Hiebert as Director.

Vote: to elect **Michael Foster** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Michael Foster as Director.

Vote: to elect **André Desmarais** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared André Desmarais as Director.

Vote: to elect **Marilyn Long CTM** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Marilyn Long CTM as Director.

Vote: to elect **Rita Polegri** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Rita Polegri as Director.

Vote: to elect **Norman Payne CTC, CTM** as Director

For: 46

Against: 0

Abstain: 0

There were more For than Against so the Chair declared Norman Payne CTC, CTM as Director.

6. Other Formal Business

The Chair asked members if there was any further formal business to be brought before the meeting. No additional items were raised.

7. Termination of Meeting

Motion: That the meeting be adjourned at 3:22 pm.

Moved by **Marilyn Long** and seconded by **Sharon Kaendo**.

All in favour. None opposed. None abstained. **CARRIED.** The Chair declared the motion passed.

The Chair concluded by thanking our national sponsors for the year 2015: Air Canada, AMA Waterways, Cornerstone Insurance Brokers, CTS Systems, Manulife Financial Travel Insurance, Mexico Tourism Board, MyPassionMedia, Porter Airlines, Regent Seven Seas Cruises, Sabre Travel Network, SecuTrans, Softvoyage, Starwood Hotels and Resorts, Via Rail and WestJet.

Heather Craig-Peddie

Acting as Meeting Secretary

Members

Membership fees are based on the number of agents and personnel associated with a location, working a minimum of 20 hours/week and earning a minimum income of \$10,000/year. The downturn in the economy played a key role in the decrease in membership numbers in 2016 although previous factors also contributed. The trend of mergers and acquisitions within the retail travel agency community slowed but still lessened the opportunity for growth within the current membership structure. The continued growth of host agencies and home based agents also had an impact on the decrease in the number of traditional “bricks and mortar” locations. So while the location numbers were down, there was also a shift in the traditional employed agent or personnel to independent contractors.

The number of Allied members also resulted in a slight decrease from last year with the economy contributing to this decline.

Table 1 – 2016 Membership (for the 2016 membership, ending October 2016)

Region	Retail Members
BC/Yukon	187
Alberta/NWT	120
Manitoba/Saskatchewan/Nunavut	89
Ontario	393
Quebec	150
Atlantic	117
TOTAL RETAIL MEMBERS	1056
TOTAL ALLIED MEMBERS	231
TOTAL MEMBERSHIP	1287

Education

The number of individuals enrolling in the certification program increased in 2016 to 107 from 92 in 2015. ACTA has been actively visiting schools to promote certification having been a guest speaker at a number of colleges in 2016-17. The Education Department has been working diligently with the colleges to encourage students to enroll in the full certification exam instead of writing only the exam. ACTA will proctor an exam sitting at the Travel Marketplace conference.

ACTA hosted the annual Student Conference in November where students from Travel and Tourism programs around the province gathered for a day of relevant information sessions, panel discussions, a trade show and great prizes.

Growth in the ACTA Campus <http://acta.travellearningcampus.ca/> continued in 2016. The Air Canada Expert (ACE) Certification within the Air Canada Global Sales University of the ACTA Campus was earned by 1588 participants. 2016 also saw the launch of the French ACTA Campus. The online preparation courses for the Certified Travel Counsellor (CTC) and Certified Travel Manager (CTM) exams are available in the ACTA Campus.

Looking ahead into 2017, ACTA has plans to continue to expand the content within the Campus by integrating existing courses offered by like associations into the campus with reduced pricing for ACTA Members. Webinars both live and on demand will also be a focus for 2017.

Program	Number
Certified Travel Counsellors/Managers (CTC and CTM) including Retired and Honourary	1307
Travel Industry Specialist Programs	36
Endorsed Travel Programs	32

Highlights from the Region

ATLANTIC REGION

Membership remains solid as the majority of agencies in Atlantic Canada are members of ACTA.

The Atlantic Council met three times in 2016 with two conference calls and one in-person meeting in St. John's NL. Two new representatives joined the Council as appointees: Richard Garson from Halifax International Airport Authority and Glen Earle from Manulife. Special thanks to outgoing Council members Claude Bourgeois, CTM from TPI and Jerry Staples from Halifax International Airport Authority. Marilyn Long, CTM of CAA Atlantic in Charlottetown remained as Chair with Glenda Hunter, CTM of CAA Atlantic in Halifax as Vice Chair. ACTA Atlantic Council has eight members representing the four Atlantic Provinces.

The Atlantic Council participated in providing input on national and local issues under the four pillars of Advocate, Educate and Elevate, Promote and Connect:

Advocate:

- New Brunswick members were advised of provincial budget consultations and the opportunity to voice their concerns to the government.

Educate and Elevate:

- In June ACTA Atlantic, together with Halifax International Airport Authority and Alt Hotel Halifax, hosted a tour for an enthusiastic group of Atlantic travel agents. Staff members from Alt Hotel Halifax took agents on a site inspection, followed by a delicious luncheon. Taking the inside walkway from the Hotel to the Airport, members were given an in-depth tour of the baggage area at Halifax Stanfield International Airport. Canada Border Services Agency led the group on a behind-the-scenes tour of their area. This was followed by a presentation by the Halifax Regional Police with a dog handler and police dog, a highlight of the day.

Promote:

- Scott Stone, Council member from St. John's, was interviewed by NL Times several times on the value of booking with a travel agent.

Connect:

- During 2016 ACTA Atlantic participated in these events:
 - TravelMarket Place Conference – Toronto
 - ACTA AGM - Toronto
 - ACTA Atlantic celebrated Travel Agent Day by visiting member agencies in Saint John and delivering cookies
 - TPI Summit and trade show - Halifax
 - CAA Atlantic staff conference and trade show – Halifax
 - Merit Travel consumer show - Halifax
 - Maritime Travel national staff conference and trade show - Halifax
 - Christmas get together for Saint John ACTA members
 - Throughout the year ACTA Atlantic visited member agencies in New Brunswick, Newfoundland and Prince Edward Island.

QUÉBEC REGION

The Québec Regional Council met five times during 2016. Elections were held in February for five retail positions and four positions were acclaimed. André Desmarais of Aeroport voyages, was elected the new Chair and Angela Costa, Mondesa Travel, was elected the new Vice-Chair. Two members Isabelle St-Amand, Espace Voyages, and Chantal Archambault, Voyages Florence joined the council. At the end of 2016, the Québec Regional Council had eight representatives serving on the council. André Desmarais Chair of the Quebec council was also elected to the ACTA National Board of Directors.

The Québec Council participated in providing input on national and local issues under the four pillars of Advocate, Educate and Elevate, Promote and Connect:

Advocate:

- The Québec Regional Council discussed the issue of fraud extensively and in March presented a Fraud seminar in collaboration with ATOQ and IATA.
- A Canadian Travel Industry Fraud Working Group was formed including ACTA, IATA, ATOQ, CATO, retailers, tour operators, airlines, agencies, RCMP, Canada Anti-fraud Centre, and credit card merchants. The ultimate goal is to reduce fraud and find solutions to the gaps that currently exist.
- In March, Québec Regional Manager Manon Martel was nominated to the OPC Advisory committee of travel agents to ensure that ACTA members are well represented. The Consumer Awareness campaign continued in 2016 in the OPC website. It was a priority as it encourages Québec consumers to book with an OPC registered travel agency.
- In November, ACTA met with OPC where two key matters were discussed: 1) Since the implementation of the agent OPC certification (the "CCV") and the removal of entry requirements, there has been a significant increase in the number of CCV holders from approximately 6,000 to 11,000, and 2) the interest from the QC retail travel industry to allocate funds from the QC Compensation Fund (the "FICAV") for a consumer awareness campaign.
- A member survey was sent to all Québec members for ACTA to determine what are the important issues facing ACTA Québec retail members.

Educate and Elevate:

- The Regional Manager Manon Martel continued to promote the ACTA's Certified Travel Counsellor (CTC) certification. Presentations were given to travel agents and managers at various industry events and agency visits during the year.
- In November, a presentation of the benefits to have ACTA certified agents incorporated into the OPC regulation was given by Regional Manager Manon Martel to the Advisory committee members of OPC. The value for consumers to book with travel agents the ACTA CTC/CTM certification and the CCV was explained, bringing more professionalism in the industry. OPC was thankful for the presentation and that ACTA is taking care of professionalism in the travel industry.
- The ACTA Learning Campus was launched in French.
- The Air Canada expert program (ACE) was launched in French.
- Multiple webinars in French were given during the year, ACTA certification CTC/CTM, Air Canada expert program, Manulife, and the destination of Iceland.

Promote:

- In mid October, Regional Manager, Manon Martel participated in the Salon International Tourism Voyages show (SITV). This consumer show draws thirty six thousand consumers. The value of booking with an ACTA member agency was made clear and consistent to consumers. Special thanks to Québec Council members André Desmarais, Angela Costa, Isabelle St-Amand, Eric Douay, Marie-France Doucet and Veronique Catteau for assisting at the ACTA booth.

- ACTA Québec Regional Manager, Manon Martel continued to promote the ACTA Learning Campus, the Air Canada University, the consumer website www.bookwithatravelagent.ca and the marketing materials “Without A Travel Agent, You’re On Your Own” to ACTA members encouraging them to use the material that is provided on the ACTA website and to sign up to the Learning Campus for education, webinars and training.
- Travel Agent Day was held on May 4 and ACTA Québec Regional Manager, Manon Martel celebrated this occasion with visits to member agencies in Montreal, Laval, South shore and North shore. 25 agencies were visited that day with the assistance of council members Isabelle St-Amand, Angela Costa, Ariane Laberge and Veronique Catteau. Travel agent day continues to gain recognition and support in Québec!
- ACTA’s visibility in Québec continued to rise in the travel industry and among consumers with French press releases and media interviews being done by Québec Regional Manager Manon Martel.
- ACTA Québec also plays an important role with members and consumers in managing and solving complaints.

Connect:

- The much anticipated 27th Annual ACTA Québec Golf Tournament was held at the Golf de l’île de Montreal on June 8. Special thanks were extended to title sponsor Air Canada and all the sponsors for supporting another successful golf tournament where 120 golfers and 175 attended the dinner and awards ceremony.
- ACTA Québec was invited and took part in the following events during 2016:
 - Canadian Anti fraud committee meeting - Montreal
 - ACTA Fraud seminar - Montreal
 - Different Tunisia tourism board events - Montreal
 - Multiple events in the industry
 - Ensemble conference - Montreal
 - SKAL Chapter Events - Montreal
 - Uniglobe conference - Montreal
 - Travel Market Place Conference - Toronto
 - Vision Travel conference - Montreal
 - Carlson Wagonlit conference - Trois Rivières
 - Ensemble conference - Esterel
 - Travel Agent Day - Montreal
 - Consumer SITV show - Montreal
- ACTA Québec Council members and provincial office staff were actively involved in on a regular, on-going basis:
 - OPC advisory committee
 - Canadian Anti fraud committee

ONTARIO REGION

The Ontario Regional Council met four times during 2016. Elections were held in December for seven retail positions and seven positions were acclaimed. The ON Regional Council thanked Paul Samuel CTM of Vision Travel for his contributions over the years as Paul decided not to seek re-election in 2016. Monica Johnstone of Uniglobe Travel Innovations joined as the newest council member to the ON Regional Council in 2016. Mike Foster of Nexion Canada remained as Chair of the Ontario Regional Council and Norm Payne, CTM of Uniglobe Premiere Travel as Vice-Chair. At the end of 2016 the Ontario Regional Council had 12 representatives serving on the council.

The Ontario Council participated in providing input on national and local issues under the four pillars of Advocate, Educate and Elevate, Promote and Connect:

Advocate:

- During 2016 the Ontario Regional Council discussed the issue of fraud extensively as the travel industry has seen a significant increase in fraud over the past few years. A letter was sent to CATO (Canadian Association of Tour Operators) outlining what issues and challenges retailers face when booking through tour operators. CATO and the ON Regional Council will continue to work together in 2016. The travel industry fraud committee is now handled by IATA and is made up of retailers and tour operators. Louise Gardiner, CTM of Carlson Wagonlit sits on the fraud committee. The ultimate goal is to work collectively together to find solutions to common problems regarding fraud.
- The Ontario Regional Council assisted in the ACTA Service Fee Survey questions and the results of the survey were completed in Q1 of 2016. The ACTA Service Fee Survey is a useful tool for ACTA members in benchmarking their own fees against others in the travel industry.
- The Ontario Regional Council provided feedback to questions on the travel health issues paper that was provided by the CCIR. (Canadian Council of Insurance Regulators)
- In September 2016, a survey was sent to ACTA members asking them to identify top concerns with respect to the Travel Industry Act in Ontario. On September 30, 2016 ACTA along with council member Richard Vanderlubbe met with the Ministry of Government and Consumer Services to discuss current challenges with respect to the Travel Industry Act. The most important point raised at this meeting was that the Travel Industry Act needs a complete overhaul in light of the fact that it was written way back in the 1970's and it does not reflect how travel is transacted now. A Travel Industry Act committee of ACTA, CCTA and the Ontario Regional Council was formed in 2016. ACTA sent a letter to the MGCS (Ministry of Government and Consumer Services) on November 4 outlining what challenges ACTA members have with the TIA, (Travel Industry Act), what ACTA members thought was missing from the TIA and what ACTA members thought consumers could benefit from a change in the regulations. Phase 1 of the TIA Review was completed in December 2016.
- During 2016, ACTA Ontario appointed three members to the Travel Industry Council of Ontario (TICO) Board of Directors: Richard Vanderlubbe of Tripcentral.ca, Louise Gardiner CTM of Carlson Wagonlit Travel and Mike Foster of Nexion Canada. The Consumer Awareness campaign continued into 2016 with the icon story across televisions in Ontario. The Consumer Awareness campaign encourages Ontario consumers to look for the TICO logo and book their trip with a TICO registered travel agency. ACTA took part in the TICO AGM held on June 21, 2016 and the TICO roundtables that were held across the province.
- Ongoing discussions and four meetings were held with the Ontario Regional Council regarding the "listing of travel agents associated with a travel agency registrant" on the TICO website. Input was presented and recommendations were put forward to TICO.
- Additional topics that were discussed at the Ontario Regional Council were the Passenger Bill of Rights and PCI compliance. Both of these items will be ongoing for 2017.

Educate and Elevate:

- The certification program of CTC and CTM in Ontario during 2016 had a total of 664 certified CTC's and CTM's at the end of 2016. ACTA member individuals continue to invest in their career as a professional, trusted, trained, and certified professional.
- Christine Chilton, CTM visited various colleges within the province of Ontario promoting certification to students.
- The annual student conference was held in November 2016 with 130 students in attendance and 22 Travel and Tourism schools participating.

Promote:

- In April 2016, ACTA Ontario Regional Manager, Fiona Bowen participated in the Ottawa Travel and Vacation Show. This consumer show draws thousands of consumers where we are bestowing the value of booking with an ACTA member agency. Special thanks to our Ottawa Council members Norm Payne, CTM and Lisa Perkins for assisting at the ACTA booth.
- ACTA Ontario Regional Manager, Fiona Bowen continued to promote the ACTA Learning Campus encouraging members to sign up to the Learning Campus for education, webinars and training.

- Travel Agent Day was held on May 4th and ACTA Ontario Regional Manager, Fiona Bowen celebrated this occasion with visits to member agencies. Travel agent day continues to gain recognition and support across Ontario!

Connect:

- In May 2016, ACTA hosted a fraud seminar for ACTA members at the Fire and Emergency Services Training Institute near the airport. ACTA, IATA and TICO presented valuable fraud information to ACTA members in attendance.
- The much anticipated 28th Annual ACTA Ontario Golf Tournament was held at the Royal Ontario Golf Club in Milton on July 7th, 2016. Thanks were extended to title sponsor Air Canada, Major Sponsor GTAA (Greater Toronto Airports Authority) and all the sponsors for supporting another successful golf tournament with 152 golfers and 200 attending the dinner and awards ceremony.
- In October 2016, ACTA in conjunction with the GTAA (Greater Toronto Airports Authority) hosted an airport tour for 25 ACTA members. The tour highlighted many areas of the airport including the canine division, luggage holding area and the wildlife control area.
- ACTA Ontario was invited to and took part in these events during 2016:
 - TravXchange Trade Show - Toronto
 - ACTA Student Conference - Toronto
 - ACTA Educator's Conference - Toronto
 - TPI Conference - Ottawa
 - Maritime Travel - Queen's University - Kingston
 - Vacation.com Owner/Manager Mixers - Toronto
 - SKAL Chapter Events - Toronto
 - TravelMarket Place Conference - Toronto
 - TICO AGM - Toronto
 - TICO Roundtables
 - YellowBird Golf Tournament - Toronto
 - TravelBrands Golf Tournament - Toronto
 - Travel Agent Day - Toronto
 - Transat Conference - Toronto
 - Carlson Wagonlit Travel Conference - Toronto
 - Uniglobe Golf Tournament - Toronto
- ACTA Ontario Council members and provincial office staff were actively involved in on a regular, on-going basis:
 - Greater Toronto Airports Authority (GTAA) Consultative Committee - Heather Craig-Peddie
 - Travel Industry Council of Ontario (TICO): 3 ACTA representatives sit on the Board of Directors but are also involved in several committees including: Education, Compensation Fund, Audit, Legislative and Regulatory Review, Complaints, and Business Strategy and Executive committees.
 - Seneca College Travel Advisory Committee: Thanushka Nanayakkara, CTM.
 - ACTA National Board of Directors: The Chair of the ON Regional Council Mike Foster along with council members Louise Gardiner, CTM of Carlson Wagonlit Travel, Norm Payne, CTM of Uniglobe Premiere Travel and Rita Polegri of Transat Distribution sit on the ACTA National Board of Directors.
 - Fanshawe College Travel Advisory Committee: Mike Foster

MANITOBA/SASKATCHEWAN/NUNAVUT REGION

The Manitoba/Nunavut Council met twice and the Saskatchewan Council once in 2016. The MB Council welcomed Natalie Schillberg from Around the World in 80 Ways, Karen Wiggett from CAA Manitoba and Colton Chia from Travel Professionals International (TPI) onto the Council and at the same time expressed its appreciation to outgoing Council member Philp Houde CTM, not running for re-election in 2016. The SK

Council welcomed Kari Dean from the YQR Airport Authority and shared appreciation for outgoing member Carrie Heibert CTM, also not running for re-election in 2016.

MB/SK Councils participated in providing input on national and local issues under the four pillars of Advocate, Educate and Elevate, Promote and Connect:

Advocate:

- There was no headway gained on the Consumer Protection portfolio in MB throughout 2016 and by December, the government sent a letter to ACTA stating that they had decided not to proceed with any legislative or regulatory changes as it relates to the consumer protection and the Manitoba travel industry. In SK, an agency bankruptcy sparked interest in consumer protection as the government had to compensate consumers for claims. By December, the case of fraud against the agency was not resolved. ACTA will monitor the situation and work and consider next steps with respect to the SK Department of Justice.

Educate and Elevate:

- The Ches Chard Award was presented to The Great Canadian Travel Company at the Travel MarketPlace Conference in Toronto in May 2016.

Promote:

- ACTA met with the Winnipeg Free Press to revisit marketing opportunities and the prospect of a coffee table book or magazine to coincide with the Winnipeg Airport Authority Travel Expo. In the end, the initiative had not garnered enough support with the agency community and larger travel industry.
- ACTA cooperated in the Winnipeg Airport Authority's second annual Travel Expo held on October 29, 2016. The event gathered agents, tour operators and other exhibitors to plan an escape. ACTA handed out material to consumers highlighting the benefits of booking with an ACTA member agency.
- The National office served as the main contact for consumers with complaints regarding travel agency services and worked to resolve any concerns involving ACTA members.

Connect:

- The MB golf tournament was held on July 19 at Rossmere Golf Club. Thanks to the support of title sponsors, Air Canada and the Winnipeg Free Press, as well as the many other suppliers that make these tournaments possible, and a great team of volunteers.
- The Saskatchewan ACTA/Skål Fun and Games day on June 21st proved to be yet another successful event. The 18/12 hole golf tournament was followed by a mystery dinner. Thanks to the sponsors, players and committee members Sharon Kaendo, Barb Crowe, Cynthia Wong CTM, Jamie Angus CTM, Arla Delver and Dennis Baranieski.
- In November, a Mixer was held in Saskatoon. Attendees enjoyed hors d'oeuvres and refreshments with thanks to Air Canada and Manulife for their sponsorship. Air Canada also provided a special agent only trip for two.

ALBERTA/NORTHWEST TERRITORIES REGION

The AB-NWT Council held five meetings in 2016. The Council welcomed Pat Montgomery from Maritime Travel and thanked outgoing council members Doug Boyd and Bob Christie from AMA Travel and Trudy McMillan CTC. Anthony Tonkinson continued his role as Chair of the Council while Peter Keyter and Terri Jo Lennox were Co-Vice Chairs.

The AB-NWT Council participated in providing input on national and local issues under the four pillars of Advocate, Educate and Elevate, Promote and Connect:

Advocate:

- Early in 2016, ACTA provided comment to the Standing Committee on Alberta's Economic Future on the comprehensive review of the Personal Information Protection Act (PIPA).
- Insurance – This topic has remained an important agenda item for the AB-NWT Council at both the National and Provincial levels. ACTA and the ACTA Council Insurance Sub-Committee met with the Alberta Insurance Council (AIC). The goal was to advise of the challenges with selling insurance inter-provincial due to regulations, advisement of the change in the travel industry landscape and who is selling travel (growth in the host agency/independent contractor model), and their challenges due to regulations and finally the need to be at the AIC table. The AIC acknowledged the need to update the rules and will work with ACTA to address our concerns.
- Being in an unregulated province, the Council discussed the possibility of strengthening the guidelines for membership. This issue was taken on as a Provincial initiative especially as Alberta is an unregulated province.
- In preparation for possible government regulatory changes in the Alberta travel industry, the ACTA Alberta Council held discussions on formulating a proposal to have in place should the government consider putting in regulations that may have a negative impact on the agency community.

Educate and Elevate:

- Fraud seminars held in Alberta received rave reviews. Especially noted was the valued information received from Doug Ness from ARC in the U.S.
- Promotion of certification and professionalism was presented at all opportunities throughout the year by the Regional Manager.

Promote:

- Barbara attended many consumer events throughout 2016, always promoting the benefit of booking with an ACTA member agency:
 - 50 Something in Edmonton
 - Merit Travel consumer shows in both Calgary and Edmonton
 - Travel Professionals International consumer shows in Calgary and Edmonton.
- The regional office worked with national for consumers with complaints regarding travel agency services, and worked to resolve any concerns involving ACTA members.

Connect:

- Regional Manager Barbara Sutherland kicked off the year with a reception in Calgary on January 26 and in Edmonton on January 27th . The objective was to meet and talk to members about what they want to see from ACTA in the coming year. Special thanks to Olympus Tours who flew to Canada from Israel.
- Barbara attended many industry events throughout 2016:
 - The UATP event in Vancouver where Barbara was a speaker on a panel.
 - The Calgary Stomp
 - The Capital City Shakedown
 - Transat Distribution trade shows.
- The August 22nd Fall Event in Red Deer showed the true resolve of Albertan's as they "weathered" a day of rain but not snow as happened in past years. Board games took the place of golf. Thanks to title sponsor Air Canada and the support of all the players, sponsors and volunteers who make these events, regardless of the weather, a great day.

BRITISH COLUMBIA/YUKON REGION

The BC-YK Council held four meetings in 2016. The Council welcomed new member Kimberley Wood from Transat Distribution Group and thanked outgoing council member Holly Verticchio and past Chair, David Elmy.

The BC-YK Council participated in providing input on national and local issues under the four pillars of Advocate, Educate and Elevate, Promote and Connect:

Advocate:

- Consumer Protection BC – ACTA had a meeting early in the new year with the new Manager of Stakeholder Relations, Mike Collyer. There was interest shared on partnering on an industry promotional campaign. CPBC did go ahead with an advertising/educational campaign but the ACTA Council expressed disappointment with the messaging. The message should have emphasized more strongly the benefits of booking travel with a licensed agency.
- In April, a presentation was made to the CPBC Board of Directors, giving an overview of our industry including concerns and challenges that we face now and in the next 3-5 years.
- Also with CPBC, the Council discussed the ongoing perception of an uneven application of the guidelines around home based agents and the requirement to be registered and these concerns were shared with the new CPBC Manager.
- Council member Liz Fleming is a member of IATA's APJC Committee (Agency Programme Joint Council) and the Financial Advisory Group.

Educate and Elevate:

- Promotion of certification and professionalism was presented at all opportunities throughout the year.
- ACTA continued to facilitate the BC insurance exam and is working on bringing the exam into the ACTA Campus.
- The Tomorrow's Leader Award was presented to Kemi Wells of North South Travel at the Travel MarketPlace Conference in Toronto in May 2016.

Promote:

- Further to the points made under CPBC and advocacy, ACTA will look at ways to bring awareness to consumers about the value of booking with a BC travel agency, with ACTA emphasizing an ACTA member agency.
- The National office served as the main contact for consumers with complaints regarding travel agency services and worked to resolve any concerns involving ACTA members.

Connect:

- Early in 2016, the BC-YK Regional Council held a focus group session to establish if an alternative for the BC/Yukon region's annual event.
- In November, a very successful premium event was held in Vancouver which featured a progressive dinner through Gastown organized by Vancouver Food Tours and sponsored by Air Canada, Manulife and Enterprise.
- Barbara Sutherland, AB-NWT Regional Manager, assisted in serving the BC-YK members while the position of BC Regional Manager was vacant. The national office also provided continual support for members.

Board, Staff and Regional Councils

The Association of Canadian Travel Agencies (ACTA) is an association of over 1200 members representing 70% - 80% of the travel industry business in Canada. ACTA is governed by a Board of Directors that is represented by each of the seven regions. The Board of Directors has an Executive Committee. ACTA also has consultative bodies, known as Regional Councils that liaisons with the Board of Directors, providing grassroots feedback on the matters that directly impact the membership.

ACTA has a President who reports to the Board.

THE BOARD OF DIRECTORS IN 2016 *(as at December 31, 2016)*

Chair: Mary Jane Hiebert (Manitoba/Nunavut)
Vice-Chair: Marilyn Long CTM (Atlantic)
Secretary: Michael Thompson
Treasurer: Louise Gardiner CTM
Directors: Liz Fleming (BC/Yukon)
Anthony Tonkinson (Alberta/NWT)
Mike Foster (Ontario)
André Desmarais (Québec)
Sharon Kaendo (Saskatchewan)
Cyrus Rustamji CTM (CCTA)
Norman Payne CTM
Rita Polegri

President and COO: Wendy Paradis

THE STAFF *(as at December 31, 2016)*

Vice President	Heather Craig-Peddie
Director, Digital and Communications	Marco Pozzobon
Director of Education	Christine Chilton CTM
Regional Manager – Atlantic	Lorie Cohen Hackett
Regional Manager – Québec	Manon Martel
Regional Manager – Ontario	Fiona Bowen
Regional Manager – Manitoba/Saskatchewan/Nunavut	Vacant
Regional Manager – Alberta/Northwest Territories	Barbara Sutherland
Regional Manager – British Columbia/Yukon	Vacant
Business Development Manager	Emma Daisley
Office and ID Card Coordinator	Deanne Osborne
Certification and Exam Coordinator	Monica Garcia

THE REGIONAL COUNCILS (as at December 31, 2016)

Atlantic

New Brunswick

Barbara Lee-White, Maritime Travel

Glen Earle, Manulife

Newfoundland

Scott Stone, Universal Travel

Heidi Pound, LeGrow's Travel

Nova Scotia

Glenda Hunter CTM (Vice Chair), CAA Travel

Mel Stewart, Maritime Travel

Rick Garson, Halifax International Airport Authority

Prince Edward Island

Marilyn Long CTM (Chair), CAA Travel

Québec

André Desmarais (Chair), Aeroport Voyage

Marie-France Doucet, Voyages A. Doucet

Pina Chiarenza, Voyage Lara

Véronique Catteau, Carlson Wagonlit Travel

David Gatteau, Incursion Voyages

Isabelle St-Amand, espace voyages

Ariane Laberge, voyages d'ici et d'ailleurs

Angela Costa, Groupe Voyages Mondesa

Éric Douay, VersaPay

Tony Santelli CTC, Collège April-Fortier

Ontario

Mike Foster (Chair), Nexion Canada

Norman Payne CTM (Vice Chair), Custom Travel

Thanushka Nanayakkara CTM, NARAT International

Rashmi Brahmbhatt, Crossways Travel Bureau

Richard Vanderlubbe, Tripcentral.ca

Louise Gardiner CTM, Carlson Wagonlit Travel

Rita Polegri, Transat Distribution Canada Inc.

Paul Samuel CTM, Vision Travel

Lisa Perkins, Carlson Wagonlit Travel

Lorena Suarez-Balkowski, Wander Travel Advisers Inc.

Eugene Winer, I Love Travel

Monica Johnstone, Uniglobe Travel Innovations

Manitoba and Nunavut

Mary Jane Hiebert (Chair), Canada One Travel

Melanie Carter CTM, CAA Manitoba

Trish Middleton, Continental Travel

Irene Neustaedter, Around the World in 80 Ways

Natalie Schillberg, Around the World in 80 Ways

Karen Wiggett, CAA Manitoba

Colton Chia, Travel Professionals International (TPI)

Darlene Newton, Robertson College

Scott Marohn, Winnipeg Airports Authority

Saskatchewan

Sharon Kaendo (Chair), Leisure Travel 2000
Barb Crowe, Ixtapa Travel
Arla Delver CTC, Ixtapa Travel
Jamie Angus CTM, Uniglobe Carefree
Lori Sly, Saskatoon Airport Authority
Kari Dean, Regina Airport Authority
Dennis Baranieski, West Wind Aviation

Alberta and Northwest Territories

Anthony C. Tonkinson (Chair), Vision Travel
Peter Keyter (Co-Vice Chair), South Travel Inc. – The Travel Lady Agency
Terri Jo Lennox (Co-Vice Chair), Travel Time Inc.
Lynda Craig, Transat Distribution Canada Inc.
Dave Heron, Pacesetter Travel
Shelley Ewing CTC, Tier One Travel
Pat Montgomery, Maritime Travel
Jona Way CTC, SAIT - Southern Alberta Institute of Technology
Joel Hollingsworth, Chateau Lacombe Hotel

British Columbia and Yukon

Liz Fleming (Chair), North South Travel & Tours Ltd.
Linda May-Dinsmore (Vice-Chair), Deluxe Travel
Isabella Beane, Maritime Travel
Arlene Henderson CTC, Windward Travel Ltd.
Kyle Oram, KVI Travel
George Clark, Elan Travel
James Shearer, Travel Masters Inc.
Glynnis Chan, Happy Times Travel & Tour Ltd.
Shelley Good, CruisePlus Management Ltd.
Kimberley Wood, Transat Distribution Group

FINANCIAL STATEMENTS

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

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Statement of Operations and Net Assets	3
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Notes to the Financial Statements	5 to 10

COOPER BICK CHEN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ASSOCIATION OF CANADIAN TRAVEL AGENCIES

We have audited the accompanying financial statements of the Association of Canadian Travel Agencies, which comprise the balance sheet as at December 31, 2016 and the statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many similar organizations, the Association derives revenues from membership fees, renewal fees, education standards, courses and conferences, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenues over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, if any, these financial statements present fairly, in all material respects, the financial position of the Association of Canadian Travel Agencies as at December 31, 2016 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Canada Not-for-Profit Corporations Act, we report that the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Other Matter

The financial statements of the Association for the year ended December 31, 2015 were audited by another auditor who expressed a similar qualified opinion on those statements on March 22, 2016.

Cooper Bick Chen LLP

Markham, Ontario
March 30, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

BALANCE SHEET

AS AT DECEMBER 31, 2016

	2016	2015
ASSETS		
Current assets		
Cash	\$ 514,470	\$ 322,571
Short-term deposit (note 2)	86,558	84,248
Accounts receivable	54,957	127,216
Prepaid expenses	29,105	40,344
	685,090	574,379
Equipment, furniture and leasehold improvements (note 3)	69,238	98,813
	754,328	673,192
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	190,092	114,935
Deferred revenue	279,265	341,746
Unearned partnership revenue (note 5)	70,000	70,000
	539,357	526,681
Deferred lease inducement (note 6)	47,121	59,152
	586,478	585,833
Net assets		
Unrestricted	167,850	87,359
	\$ 754,328	\$ 673,192

Approved on behalf of the Board:

_____, Director _____, Director

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

STATEMENT OF OPERATIONS AND NET ASSETS

YEAR ENDED DECEMBER 31, 2016

	2016	2015
Revenues		
Membership fees	\$ 706,464	\$ 772,112
Partnerships (<i>note 8</i>)	416,401	472,285
Activities	158,730	219,822
Canada Post revenue	57,268	92,944
Education	124,962	164,065
Interest and other	130,681	176,316
ID Card program	-	2,980
	1,594,506	1,900,524
Expenses		
General and administration	1,123,885	1,359,602
Board, Council and staff travel (<i>note 8</i>)	158,884	172,194
Amortization	36,477	29,959
Activities	129,617	187,654
Canada Post expenses	48,107	79,756
Education	17,045	31,243
ID Card program	-	4,208
	1,514,015	1,864,616
Excess of revenues over expenses for the year	80,491	35,908
Net assets - at beginning of year	87,359	51,451
Net assets - at end of year	\$ 167,850	\$ 87,359

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	2016	2015
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ 80,491	\$ 35,908
Add non-cash expense - amortization	36,477	29,959
- amortization of deferred lease inducement	(12,031)	(12,031)
	104,937	53,836
Changes in non-cash working capital items:		
Accounts receivable	72,259	(26,672)
Prepaid expenses	11,239	9,000
Accounts payable and accrued liabilities	75,157	(641)
Deferred revenue	(62,481)	81,167
Unearned partnership revenue	-	(33,750)
	201,111	82,940
Cash flows from investing activities		
Purchase of property and equipment	(6,902)	(24,291)
	(6,902)	(24,291)
Cash flows from financing activities		
Redemption of term deposit	-	26,024
Increase in term deposit	(2,310)	(2,247)
	(2,310)	23,777
Increase in cash during the year	191,899	82,426
Cash - at beginning of year	322,571	240,145
Cash - at end of year	\$ 514,470	\$ 322,571

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

The Association of Canadian Travel Agencies' ("ACTA" or the "Association") mission is to serve as the focal point for the retail travel services industry, where ideas and resources are pooled into initiatives designed to create and maintain a healthy business and legislative environment in which the retail travel industry will thrive. ACTA's mandate is to ensure consumers have professional and meaningful travel counselling by providing effective leadership in a number of key strategic areas on behalf of the retail travel industry members.

ACTA is a non-profit organization incorporated without share capital in September 1977 under the laws of Canada and, as such, is generally exempt from income tax.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Instruments

ACTA initially measures its financial assets and liabilities at fair value. ACTA subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Short-Term Deposit

Short term deposit consist of guaranteed investment certificate and is recorded at amortized cost plus accrued interest, which approximates fair value.

Equipment, Furniture and Leasehold Improvements

Equipment, furniture and leasehold improvements are recorded at cost and amortized over its estimated useful life at the following rates and methods:

Computer equipment	- 55% declining balance basis
Furniture and equipment	- 20% declining balance basis
Website	- 33% straight line basis
Leasehold improvements	- over the term of the lease

The above rates are reviewed annually to ensure they are appropriate. Any changes are adjusted for 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 2016.

Deferred Lease Inducement

The deferred lease inducement is amortized on a straight line basis over the term of the lease.

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Membership Fees and Deferred Revenue

Membership fees including CTC/CTM renewals cover the calendar year and are recorded when received and allocated to the period to which they apply. Fees received in the current year that relate to subsequent years are recorded as deferred revenue on the balance sheet.

Partnership Revenue

Partnership revenue includes cash sponsorships and non-monetary (in-kind) contributions. Partnership revenue is recognized over the period of the agreement. Revenue not earned in the current year is shown as unearned partnership revenue on the balance sheet.

Activities

Activities are primarily golf tournaments and revenue is recognized when the events take place.

Canada Post Revenue

Canada Post revenue is recognized when the item is shipped to the customer.

Education Standards Revenues

These revenues include the following:

- (a) Examination fees which entitle the student to write examinations are recognized as revenue in the period the examination is written.
- (b) Registration fees for registration in the certification program are recorded when received.
- (c) Curriculum, endorsement and provider fees for recognition of courses offered by colleges, other educational institutions and individual educators are for a specific time period and are recorded as earned.

Other Revenues

Revenues from textbooks sales are recorded when the product is delivered to the customer.

Interest and all other income is recorded as earned.

Non-Monetary Transactions

Assets exchanged with other organizations in non-monetary transactions are recorded at the more reliably measurable of the fair value of the asset given up and the fair value of the asset received.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the year end. Revenues and expenses are translated at the exchange rates prevailing on the transaction date. Subsequent variances in exchange rates between the date of recording and actual receipts/payments are expensed at the time of receipt/payment. Any resulting gains or losses are included in income for the year.

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of ACTA'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.

Key areas where management has made difficult, complex or subjective judgments, often as a result of matters that are uncertain, include useful lives for amortization of equipment, furniture and leasehold improvements, deferred revenue and amounts recorded for non-monetary transactions. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

2. SHORT TERM DEPOSIT

Details of short term deposit are as follows:

<i>Face Value</i>	<i>Security</i>	<i>2016</i>	<i>2015</i>
\$ 75,742	Natcan GIC - 2.75% due January 30, 2017	\$ 86,558	\$ 84,248
		\$ 86,558	\$ 84,248

3. EQUIPMENT, FURNITURE AND LEASEHOLD IMPROVEMENTS

Details are as follows:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	
			<i>2016</i>	<i>2015</i>
Computer equipment	\$ 69,266	\$ 64,573	\$ 4,693	\$ 7,389
Furniture and equipment	369,154	352,648	16,506	20,632
Website	121,800	107,023	14,777	28,870
Leasehold improvements	63,868	30,606	33,262	41,922
	\$ 624,088	\$ 554,850	\$ 69,238	\$ 98,813

4. GOVERNMENT REMITTANCES

Accounts payable and accrued liabilities include government remittances payable totaling \$21,145 at December 31, 2016 (\$40,040 - 2015).

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

5. UNEARNED PARTNERSHIP REVENUE

Details are as follows:

	2016	2015
The Manufacturers Life Insurance Company	\$ 70,000	\$ 70,000
	\$ 70,000	\$ 70,000

6. DEFERRED LEASE INDUCEMENT

The Association received a lease inducement in the form of leasehold improvements and free rent from the landlord in earlier years. This inducement is being amortized on a straight line basis over the term of the lease. The changes in deferred lease inducements are as follows:

	2016	2015
Balance - at beginning of year	\$ 59,152	\$ 71,183
Amortization of lease inducement	(12,031)	(12,031)
Balance - at end of the year	\$ 47,121	\$ 59,152

7. BANK CREDIT FACILITY

ACTA has a revolving line of credit facility to a maximum of \$100,000 and VISA business facility to a maximum amount of \$20,000. Interest on the line of credit is payable at bank prime rate plus 2.70% per annum. The line of credit and VISA facility is secured by a general security agreement covering all the assets of the Association. There was no balance outstanding as at December 31, 2016 on the line of credit (\$NIL - 2015).

8. NON-MONETARY TRANSACTIONS

In the ordinary course of business, ACTA enters into non-monetary transactions with airlines, railways and hotels in which ACTA receives tickets and hotel rooms in exchange for promotion of the suppliers' products and services to ACTA members and to the industry at large.

These non-monetary transactions resulted in partnership revenue of \$90,000 (\$79,000 - 2015) with a corresponding expense included in Board, Council and staff travel expense. The pricing was at market prices for the tickets and hotel rooms used during the year.

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

9. LEASE COMMITMENTS

ACTA is committed to annual minimum rental payments for its office premises under a long term lease expiring on November 30, 2020 and for an equipment lease expiring in December 2017 as follows:

	<i>Premises</i>	<i>Equipment</i>	<i>Total</i>
Year ending December 31, 2017	\$ 33,000	\$ 6,700	\$ 39,700
2018	36,000	-	36,000
2019	38,000	-	38,000
2020	36,000	-	36,000
	-	-	-
	-	-	-
	\$ 143,000	\$ 6,700	\$ 149,700

ACTA is committed to paying for operating costs in addition to the minimum rent, which in 2016 was approximately \$33,700 (\$40,000 - 2015).

10. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

ACTA is exposed to various risks through its financial instruments. The following analysis provides a measure of ACTA'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. ACTA's main credit risks relate to accounts receivable. ACTA mitigates credit risk by monitoring accounts on a regular basis. Management has included adequate provision for doubtful accounts receivable in these financial statements.

Liquidity Risk

Liquidity risk is the risk that ACTA will encounter difficulty in meeting obligations associated with financial liabilities. ACTA is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and commitments. ACTA expects to meet these obligations as they come due by generating sufficient cash flow 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. ACTA is not exposed to significant market risk.

ASSOCIATION OF CANADIAN TRAVEL AGENCIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

11. GUARANTEES AND INDEMNITIES

ACTA has indemnified its past, present and future directors, officers and volunteers 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, in which they are sued as a result of their involvement with ACTA, if they acted honestly and in good faith with the best interest of ACTA. The nature of the indemnity prevents ACTA from reasonably estimating the maximum exposure. ACTA has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions.

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



Thank you to ACTA Corporate Partners
for their continued support.

