

ACTRA NATIONAL
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 29, 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACTRA NATIONAL

We have audited the accompanying financial statements of ACTRA National, which comprise the balance sheet as at February 29, 2016 and the statements of operations, changes in 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ACTRA National as at February 29, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Clarke Henning LLP

Toronto, Ontario
June 19, 2016

CHARTERED ACCOUNTANTS
Licensed Public Accountants

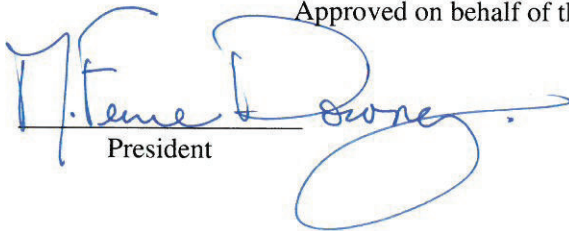
ACTRA NATIONAL

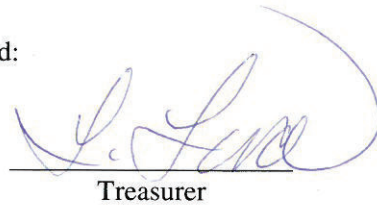
BALANCE SHEET

AS AT FEBRUARY 29, 2016

	2016	2015
ASSETS		
Current assets		
Cash (note 5)	\$ 3,272,400	\$ 3,582,576
Marketable security (note 2)	1,716,841	1,852,637
Accounts receivable	245,307	113,640
Prepaid expenses and deposits	80,500	86,195
Due from ACTRA Toronto Performers Branch (note 5)	129,254	11,776
Due from ACTRA Performers' Rights Society (note 5)	102,359	70,420
	<u>5,546,661</u>	<u>5,717,244</u>
Investment in Credit Union (note 5)	331,754	331,754
Capital assets (note 3)	172,859	136,424
	<u>504,613</u>	<u>468,178</u>
	<u>6,051,274</u>	<u>6,185,422</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	1,127,787	1,228,751
Accrued vacation pay	69,346	68,725
Due to Branches (note 5)	2,864,069	2,610,877
Due to U.B.C.P. (note 5)	29,221	52,458
	<u>4,090,423</u>	<u>3,960,811</u>
NET ASSETS		
Extraordinary contingency fund (note 1)	2,383	2,383
Surplus transferred to Branches	(132,105)	(284,891)
Unappropriated net assets	1,917,714	2,370,695
Invested in capital assets	172,859	136,424
	<u>1,960,851</u>	<u>2,224,611</u>
	<u>\$ 6,051,274</u>	<u>\$ 6,185,422</u>

Approved on behalf of the Board:


President


Treasurer

ACTRA NATIONAL

STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 29, 2016

	2016	2015
Income		
Per capita - full members	\$ 3,694,549	\$3,664,744
Per capita - apprentice members	359,775	342,000
Equalization income	1,355,282	1,189,972
Interest income	135,875	129,568
Unrealized gain (loss) on marketable security	(263,752)	72,149
	5,281,729	5,398,433
Expenses		
National council and executive (<i>Schedule A</i>)	193,973	169,660
National committees (<i>Schedule B</i>)	20,308	18,970
National executive director's office (<i>Schedule C</i>)	345,964	328,168
National Organizing Campaign (<i>Schedule D</i>)	193,984	183,860
Collective agreements (<i>Schedule E</i>)	328,548	211,174
Policy and communications (<i>Schedule F</i>)	1,266,401	1,226,969
Industry relations (<i>Schedule G</i>)	11,975	1,438
External relations (<i>Schedule H</i>)	299,625	371,806
Finance, human resources and administration (<i>Schedule I</i>)	1,198,902	1,179,812
Information services (<i>Schedule J</i>)	894,159	792,611
Occupancy (<i>Schedule K</i>)	425,220	402,717
HST/GST expense	91,890	90,130
Apprentice member credit	46,633	37,914
Donations	20,438	20,100
	5,338,020	5,035,329
Excess (deficiency) of income over expenses before transfer payments	(56,291)	363,104
Transfer payments to branches (<i>note 5</i>)	(75,364)	(6,070)
Excess (deficiency) of income over expenses for the year	\$ (131,655)	\$ 357,034

ACTRA NATIONAL

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED FEBRUARY 29, 2016

	Invested in Capital Assets	Unappropriated Net Assets	Net Assets Transferred to Branches	Extraordinary Contingency Fund	Total 2016	Total 2015
Net assets - at beginning of year	\$ 136,424	\$ 2,370,695	\$ (284,891)	\$ 2,383	\$ 2,224,611	\$ 2,152,466
Excess (deficiency) of income over expenses for the year	-	(131,655)	-	-	(131,655)	357,034
Prior year transfer of surplus to branches	-	(284,891)	284,891	-	-	-
Transfer of surplus to branches (<i>note 5</i>)	-	-	(132,105)	-	(132,105)	(284,891)
Purchase of capital assets	104,067	(104,067)	-	-	-	-
Depreciation	(67,632)	67,632	-	-	-	-
Net assets - at end of year	\$ 172,859	\$ 1,917,714	\$ (132,105)	\$ 2,383	\$ 1,960,851	\$ 2,224,609

ACTRA NATIONAL

STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 29, 2016

	2016	2015
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 5,277,942	\$ 5,199,477
Cash paid to employees and suppliers	(5,440,406)	(5,041,907)
Interest received	135,876	129,568
	<u>(26,588)</u>	<u>287,138</u>
Cash flows from financing activity		
Advances to related organizations	(51,566)	(88,506)
Cash flows from investing activities		
Purchase of capital assets	(104,067)	(96,214)
Purchase of marketable security	(127,955)	(119,652)
Purchase of investment in Credit Union	-	(13,289)
	<u>(232,022)</u>	<u>(229,155)</u>
Change in cash during the year	(310,176)	(30,523)
Cash - at beginning of year	3,582,576	3,613,099
Cash - at end of year	<u>\$ 3,272,400</u>	<u>\$ 3,582,576</u>

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2016

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Financial Assets and Liabilities

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

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

Amounts due to/from related organizations are measured at exchange amount (see note 5).

Marketable Security

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

Capital Assets

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

Computer equipment	3 years
Computer software	5 years
Furniture and fixtures	5 years

Leasehold improvements are amortized over the term of the lease of ten years

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.

Investment in Credit Union

Investment in credit union is measured at cost plus reinvested dividends.

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2016

2. MARKETABLE SECURITY (continued)

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of marketable security held by the Organization. The Organization does not have any direct interest risk exposure. However, the Organization is indirectly exposed to interest rate risk through its investment in mutual fund, which invests in equities and fixed income securities. The value of the fixed income security held by the mutual fund will generally rise if interest rates fall and decrease if interest rates rise.

Price Risk

The Organization is exposed to price risk, which is the potential loss that the Organization may incur with respect to the changes in fair value of marketable security. The fair value of marketable security will fluctuate because of changes in market price whether those changes are caused by factors specific to the individual securities, or issuers or factors affecting all securities traded in the market.

3. CAPITAL ASSETS

Details of capital assets are as follows:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	
			<i>2016</i>	<i>2015</i>
Computer equipment	\$ 1,031,861	\$ 947,240	\$ 84,621	\$ 57,554
Computer software	205,118	194,655	10,463	13,877
Furniture and fixtures	322,003	251,822	70,181	55,679
Leasehold improvements	17,194	9,600	7,594	9,314
	\$ 1,576,176	\$ 1,403,317	\$ 172,859	\$ 136,424

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include government remittances totalling \$9,670 (\$8,594 in 2015).

5. RELATED PARTY TRANSACTIONS

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

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

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2016

5. RELATED PARTY TRANSACTIONS (continued)

Upon agreement with the various local ACTRA branches, ACTRA National provides administration and financial services to those branches.

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

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

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

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

Details of related party balances and transactions are as follows:

	<i>Balance Outstanding As At</i>	
	<i>2016</i>	<i>2015</i>
Assets (liabilities)		
Due from ACTRA Performers Rights Society	\$ 102,359	\$ 70,420
Due to ACTRA Branches	(2,864,069)	(2,610,877)
Due from ACTRA Toronto Performers Branch	129,254	11,776
Due to U.B.C.P.	(29,221)	(52,458)
	(2,661,677)	(2,581,139)
	<i>Transaction Value</i>	
	<i>2016</i>	<i>2015</i>
Statement of Changes in Net Assets		
Distribution of surplus		
ACTRA Branches	29,228	63,539
ACTRA Toronto Performers Branch	73,658	159,691
U.B.C.P.	29,219	61,661
	132,105	284,891
Statement of Operations		
Transfer payments		
ACTRA Branches	75,364	6,070
Alliance of Canadian Cinema, Television and Radio Artists	-	6,000
	\$ 75,364	\$ 12,070

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

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

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2016

5. RELATED PARTY TRANSACTIONS (continued)

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

On November 18, 2008, ACTRA National purchased 200,000 Class B Investment shares in the Creative Arts Savings & Credit Union for \$200,000, pursuant to an Offering Statement dated July 31, 2008. On June 27, 2013, the Organization purchased additional 100,000 Class B Investment shares for \$100,000, pursuant to an Offering Statement dated March 31, 2013.

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

These shares are carried at cost amount plus dividends re-invested and aggregated \$331,754 (\$331,754 in 2015). The fair value of the investment in Credit Union is not readily determinable.

The Organization also operates a business savings bank account and a business chequing bank account with CASCU. Total balance was \$507,270 (\$1,216,558 in 2015), which is included in cash balance as at February 29, 2016.

6. LEASE COMMITMENTS

The Organization has commitments under operating leases for premises and equipment. The premises lease expires on July 31, 2020. The minimum annual payments under the leases are as follows:

		<i>Premises</i>	<i>Equipment</i>	<i>Total</i>
Fiscal year	2017	\$ 163,400	\$ 24,400	\$ 187,800
	2018	164,300	24,400	188,700
	2019	164,300	24,400	188,700
	2020	164,300	15,800	180,100
	2021	68,460	-	68,460
		\$ 724,760	\$ 89,000	\$ 813,760

In addition, the Organization is obligated to pay operating costs for its office space. The operating costs paid for the current year were approximately \$134,000 (\$136,000 - 2015).

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2016

7. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to accounts receivable and cash on deposit with Credit Union. The Organization mitigates credit risk by monitoring the accounts receivable and cash on deposit with the Credit Union 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 the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, dues to related parties and commitments. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from operations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is not exposed to currency risk, interest rate and price risks are disclosed in note 2.

8. GUARANTEES AND INDEMNITIES

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

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

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 29, 2016

	2016	2015
<i>Schedule A</i>		
National Council and Executive		
National council		
Meeting costs	\$ 28,376	\$ 27,542
Councilor travel costs	28,463	33,498
Officer expenses	4,596	6,419
Senior staff expenses	4,325	6,745
	65,760	74,204
National executive		
Meeting costs	23,796	16,303
Officer expenses	8,597	2,167
Senior staff expenses	9,362	4,988
	41,755	23,458
Officers and senior staff meetings		
Meeting costs	321	431
Officer expenses	51	218
Senior staff expenses	-	60
	372	709
Honoraria	68,647	54,320
Officer expenses - other	17,439	16,969
	86,086	71,289
Total	193,973	169,660
<i>Schedule B</i>		
National Committees		
Finance committee meetings	145	54
Stunt committee	7,252	7,770
Women's committee	8,061	6,443
Diversity committee	4,850	4,534
Other committees	-	169
	\$ 20,308	\$ 18,970

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 29, 2016

	2016	2015
National Executive Director's Office	<i>Schedule C</i>	
Salaries	\$ 261,941	\$ 246,516
RRSP	31,181	29,741
General benefits	28,029	27,997
	321,151	304,254
National executive director expenses	9,803	10,690
Regional director expenses	15,010	13,224
	24,813	23,914
	345,964	328,168
National Organizing Campaign	<i>Schedule D</i>	
Communications	-	1,530
Organizers	181,266	170,697
Meetings	6,718	5,133
Stunt Community Liaison/Consultant	6,000	6,500
	\$ 193,984	\$ 183,860

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 29, 2016

	2016	2015
Collective Agreements		<i>Schedule E</i>
CBC - Negotiations	\$ -	\$ 966
- Senior staff expenses	-	104
	-	1,070
Commercials - Negotiations	-	77,026
- Officer expenses	-	12,903
- Senior staff expenses	-	27,460
- Administration	27,681	16,787
- Legal	11,927	243
- Printing	11,613	9,995
	51,221	144,414
IPA/BCMPA - Negotiations	172,540	-
- Officer expenses	12,984	-
- Senior staff expenses	21,972	20,129
- Administration	9,112	9,690
- Legal	37,439	10,944
- Printing	21,405	20,510
	275,452	61,273
Other - Negotiations	592	3,080
- Senior staff expenses	16	-
- Administration	1,267	1,337
	1,875	4,417
	\$ 328,548	\$ 211,174

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 29, 2016

	2016	2015
Public Policy, Research and Communications		
	<i>Schedule F</i>	
Salaries	\$ 721,378	\$ 666,907
RRSP	65,115	66,519
General benefits	138,442	124,938
	924,935	858,364
Director expenses	15,511	17,545
Lobbying expenses	59,531	69,754
President's expenses	4,033	2,013
	79,075	89,312
ACTRA magazine	100,343	98,700
Advertising	3,395	4,000
Sponsorships	40,600	46,072
Promotional materials	4,401	11,755
Administrative services	9,252	13,015
Publications	-	1,171
ACTRA awards	66,069	62,138
Public relations officer's expenses	8,484	5,437
Research materials & projects	22,575	30,907
ACTRA website	7,272	6,098
	262,391	279,293
	1,266,401	1,226,969
Industry Relations		
	<i>Schedule G</i>	
Banff world television festival	-	1,188
CMPA Prime Time Annual Conference	11,975	250
	11,975	1,438
External Relations		
	<i>Schedule H</i>	
FIA affiliation fees	49,450	54,774
CLC affiliation fees	183,213	173,035
CLC assessed per capita	30,536	30,536
CLC committee and travel	4,113	70,631
Officer expenses - FIA	7,021	10,766
- FIANA	-	1,220
- SAG/AFTRA	9,335	3,096
Senior staff expenses - FIA	5,577	5,176
- FIANA	-	1,450
- SAG/AFTRA	10,380	9,896
Special projects consultant	-	11,000
Other	-	226
	\$ 299,625	\$ 371,806

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 29, 2016

	2016	2015
Finance, Human Resources and Administration		
	<i>Schedule I</i>	
Salaries	\$ 909,881	\$ 878,088
RRSP	71,085	72,895
General benefits	133,115	130,659
	1,114,081	1,081,642
National Director of Finance and Administration expenses	2,099	1,797
Printing	14,655	19,098
Professional fees	3,745	1,431
Audit fees	11,764	12,204
Legal fees	4,075	11,893
Staff conference	20,380	21,488
Staff recruitment	1,239	673
Staff training	4,757	7,762
Staff appreciation	2,878	2,754
Bank charges	14,424	13,070
Alliance debt reduction (note 5)	4,805	6,000
	84,821	98,170
	1,198,902	1,179,812
Information Services		
	<i>Schedule J</i>	
Salaries	525,476	497,018
RRSP	45,136	36,014
General benefits	111,654	85,275
	682,266	618,307
Maintenance	3,878	4,893
Software	49,628	53,448
Hardware	4,264	10,440
Supplies	9,638	8,082
Network costs	38,848	33,850
Depreciation - computer equipment and systems	50,333	29,405
Consulting fees	34,292	14,737
IS Director expenses	20,064	18,757
IS steering committee	948	692
	211,893	174,304
	\$ 894,159	\$ 792,611

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 29, 2016

	2016	2015
Occupancy	<i>Schedule K</i>	
Rent	\$ 286,618	\$ 266,187
Telephone	7,285	13,959
Insurance	43,636	38,892
Supplies and miscellaneous	12,973	12,594
Postage	27,369	25,919
Courier	12,945	12,851
Furniture, fixtures and repairs	6,560	6,065
Equipment rental and leases	10,534	18,794
Depreciation - furniture and fixtures	17,300	7,456
	\$ 425,220	\$ 402,717