

**ACTRA NATIONAL**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED FEBRUARY 28, 2011**

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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACTRA

### **Report on Financial Statements**

We have audited the accompanying financial statements of ACTRA National, which comprise the balance sheet as at February 28, 2011, and the statement of operations, statement of net assets and statement of 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 generally accepted accounting principles, 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 28, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario  
May 30, 2011

*Clarke Henning LLP*

CHARTERED ACCOUNTANTS  
Licensed Public Accountants

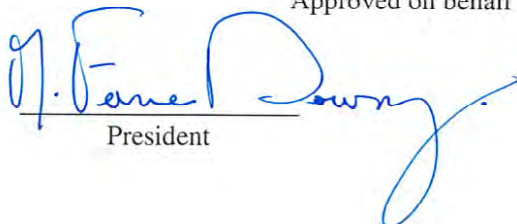
# ACTRA NATIONAL

## BALANCE SHEET

AS AT FEBRUARY 28, 2011

	2011	2010
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,252,587	\$ 1,465,202
Accounts receivable	318,504	801,218
Marketable securities at fair value (note 3)	1,260,605	1,079,057
Prepaid expenses and deposits	66,966	78,237
Due from ACTRA Toronto Performers Branch (note 6)	189,805	112,268
Due from U.B.C.P. (note 6)	1,254	-
Due from ACTRA Performers' Rights Society (note 6)	182,333	16,046
	<u>4,272,054</u>	<u>3,552,028</u>
Investment in Credit Union (note 4)	205,308	200,587
Furniture, equipment and software (note 5)	124,367	107,962
	<u>4,601,729</u>	<u>3,860,577</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,010,480	1,082,024
Accrued vacation pay	55,584	55,201
Due to Branches (note 6)	1,578,216	759,234
Due to Alliance of Canadian Cinema, Television and Radio Artists (note 6)	2,048	-
Due to U.B.C.P. (note 6)	-	52,456
	<u>2,646,328</u>	<u>1,948,915</u>
<b>NET ASSETS</b>		
Extraordinary contingency fund (note 2)	2,383	2,383
Net assets transferred to Branches	-	(209,189)
Unappropriated net assets	1,828,651	2,010,506
Invested in furniture, equipment and software	124,367	107,962
	<u>1,955,401</u>	<u>1,911,662</u>
	<u>\$ 4,601,729</u>	<u>\$ 3,860,577</u>

Approved on behalf of the Board:

  
President

  
Treasurer

# ACTRA NATIONAL

## STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 28, 2011

	2011	2010
Income		
Per capita - full members	\$ 3,088,687	\$3,107,212
Per capita - apprentice members	450,075	459,150
Equalization income	1,192,469	1,033,114
Interest income	43,361	42,680
Unrealized gain on marketable securities	144,221	193,771
	<b>4,918,813</b>	4,835,927
Expenses		
National council and executive ( <i>Schedule A</i> )	167,931	157,598
National committees ( <i>Schedule B</i> )	7,375	8,152
National executive director's office ( <i>Schedule C</i> )	309,923	298,184
National Organizing Campaign ( <i>Schedule D</i> )	207,422	133,297
Bargaining and research ( <i>Schedule E</i> )	382,718	436,894
Collective agreements ( <i>Schedule F</i> )	163,945	191,234
Policy and communications ( <i>Schedule G</i> )	676,089	643,821
Industry relations ( <i>Schedule H</i> )	22,615	10,449
External relations ( <i>Schedule I</i> )	225,764	236,662
Finance, human resources and administration ( <i>Schedule J</i> )	1,158,151	1,030,357
Information services ( <i>Schedule K</i> )	794,887	696,670
Occupancy ( <i>Schedule L</i> )	415,921	407,972
HST/GST expense	62,077	43,190
Apprentice member credit	188,919	88,179
Donations	20,500	23,236
	<b>4,804,237</b>	4,405,895
Excess of income over expenses before other items	114,576	430,032
Transfer payments to branches	(70,837)	(27,071)
Excess of income over expenses	<b>\$ 43,739</b>	<b>\$ 402,961</b>

# ACTRA NATIONAL

## STATEMENT OF NET ASSETS

YEAR ENDED FEBRUARY 28, 2011

	<i>Invested in Furniture, Equipment and Software</i>	<i>Unappropriated Net Assets</i>	<i>Net Assets Transferred to Branches</i>	<i>Extraordinary Contingency Fund</i>	<i>Total 2011</i>	<i>Total 2010</i>
Net assets - at beginning of year	\$ 107,962	\$ 2,010,506	\$ (209,189)	\$ 2,383	\$ 1,911,662	\$ 1,717,889
Excess of income over expenses	-	43,739	-	-	43,739	402,961
Prior year transfer of net assets to branches	-	(209,189)	209,189	-	-	-
Transfer of net assets to branches	-	-	-	-	-	(209,189)
Purchase of furniture, equipment and software	84,557	(84,557)	-	-	-	-
Depreciation	(68,152)	68,152	-	-	-	-
Net assets - at end of year	\$ 124,367	\$ 1,828,651	\$ -	\$ 2,383	\$ 1,955,401	\$ 1,911,661

# ACTRA NATIONAL

## STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 28, 2011

	2011	2010
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 5,213,945	\$ 3,897,968
Cash paid to employees and suppliers	(4,868,803)	(4,223,388)
Interest received	43,361	42,680
	<u>388,503</u>	<u>(282,740)</u>
Cash flows from financing activity		
Advances from (to) related organizations	525,487	340,817
Cash flows from investing activities		
Purchase of furniture, equipment and software	(84,557)	(72,796)
Purchase of marketable securities	(37,327)	(41,399)
Purchase of investment in Credit Union	(4,721)	-
	<u>(126,605)</u>	<u>(114,195)</u>
Change in cash during the year	787,385	(56,118)
Cash - at beginning of year	1,465,202	1,521,320
Cash - at end of year	<u>\$ 2,252,587</u>	<u>\$ 1,465,202</u>

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2011

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### 1. ORGANIZATION

ACTRA National 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of Presentation*

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not for profit organizations.

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*

Financial assets and liabilities include cash, accounts receivable, marketable securities, advances to related organizations, investment in Credit Union, accounts payable and accrued liabilities, accrued vacation pay and advances to/from related organizations. Cash and marketable securities are classified as held for trading and stated at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Investment in Credit Union is classified as held for sale and is recorded at cost. Accounts payable and accrued liabilities, and advances to/from related organizations are classified as other financial liabilities, which are measured at amortized cost.

#### *Marketable Securities*

Marketable securities are recorded at fair value. Unrealized holding gains and losses related to held for trading investments are included in the statement of operations. The quoted market price of investments is used to estimate fair value.

#### *Furniture, Equipment and Software*

Furniture, equipment, and software and leasehold improvements 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	10 years

#### *Revenue Recognition*

Members' fees are recorded as revenue in the year to which they relate. Fees for member and apprentice per capita charges are recorded as invoiced. Fees for information services are billed monthly. Equalization income is recorded as received. Interest income is recorded as accrued in the year.

**ACTRA NATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED FEBRUARY 28, 2011**

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2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*Extraordinary Contingency Fund*

In 1998 an extraordinary contingency fund was established to provide for organizing, bargaining and negotiations, extraordinary meetings of ACTRA National and legal counsel. The fund was financed through voluntary contributions of 5% of non-member work permit income from the branches/local unions. Subsequent to the 2002 fiscal year, no additional contributions have been made to the fund.

*Use of Estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates, the impact of which will be recorded in future periods.

3. *MARKETABLE SECURITIES*

Details of marketable securities are as follows:

<i>Units</i>		<i>2011</i>		<i>2010</i>		
<i>2011</i>	<i>2010</i>	<i>Fair Value</i>	<i>Cost</i>	<i>Fair Value</i>	<i>Cost</i>	
<b>124,566</b>	120,579	KBSH Enhanced Income Fund	<b>\$ 1,260,605</b>	<b>\$ 1,281,688</b>	\$ 1,079,057	\$ 1,244,360

4. *INVESTMENT IN CREDIT UNION*

On November 18, 2008, the Organization 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. 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 classed as held for sale and are carried at cost.



# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2011

### 5. FURNITURE, EQUIPMENT AND SOFTWARE

Details of furniture, equipment and software are as follows:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	
			<i>2011</i>	<i>2010</i>
Computer equipment	\$ 827,145	\$ 763,241	\$ 63,904	\$ 52,363
Computer software	160,481	121,282	39,199	-
Furniture and fixtures	230,609	225,537	5,072	15,125
Leasehold improvements	17,195	1,003	16,192	40,474
	<b>\$ 1,235,430</b>	<b>\$ 1,111,063</b>	<b>\$ 124,367</b>	<b>\$ 107,962</b>

Computer system development costs that relate to new functions are capitalized and amortized over five years. These costs are classified as computer software.

### 6. ADVANCES TO AND FROM RELATED ORGANIZATIONS

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

### 7. 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:

		Premises	Equipment	Total
Fiscal year	2012	\$ 127,482	\$ 73,581	\$ 201,063
	2013	137,712	65,574	203,286
	2014	138,958	19,668	158,626
	2015	139,848	9,834	149,682
	2016 and thereafter	877,654	-	877,654

In addition to the minimum rent, the Organization is obligated to pay operating costs for its office space. The operating costs paid for the current year were approximately \$137,000 (2010 - \$154,200).

### 8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Organization's financial instruments consist of cash, marketable securities, investment in Credit Union, accounts receivable, accounts payable and accrued liabilities, accrued vacation pay and advances to/from related organizations. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Organization is exposed to market risk on its marketable securities. Market risk is the potential loss the Organization may incur as a result of changes in the fair value of the securities. See note 3 for details of marketable securities.

The fair value of these financial instruments, except for the investment in Credit Union and advances to/from related organizations, corresponds to their carrying value due to their short-term maturity. The fair value of the investment in Credit Union is not readily determinable. The fair value of the advances to/from related organizations is not readily determinable because of the related party nature of the balances.

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2011

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### *9. CAPITAL MANAGEMENT*

The Organization's capital is its unappropriated net assets. The Organization's objectives in managing its capital are to safeguard its ability to continue as a going concern and to ensure that it has sufficient resources to adequately meet its responsibilities to its members. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. The Organization manages and adjusts its capital in response to general economic conditions, risk characteristics of the underlying assets and projected working capital requirements resulting from current and planned activities.

### *10. GUARANTEES AND INDEMNITIES*

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

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

### *11. RECENT CANADIAN ACCOUNTING PRONOUNCEMENTS*

The Accounting Standards Board of the Canadian Institute of Chartered Accountants (CICA) has approved the incorporation of the standards set out in Part III of the CICA Handbook (Handbook) as the accounting standards applicable to not-for-profit organizations. First-time adoption of this Part of the Handbook is mandatory for annual financial statements relating to fiscal years beginning on or after January 1, 2012. A not-for-profit organization that prepares its financial statements in accordance with this Part of the Handbook states that they have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. A not-for-profit organization applying this Part of the Handbook also applies the standards for private enterprises in Part II of the Handbook to the extent that the Part II standards address topics not addressed in this Part.

Management is in the process of assessing the impact of the new standards on its financial statements.

**ACTRA NATIONAL**  
**SCHEDULES OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2011**

	2011	2010
<i>Schedule A</i>		
National Council and Executive		
National council		
Meeting costs	\$ 30,199	\$ 27,804
Councilor travel costs	28,248	25,360
Officer expenses	4,615	5,616
Senior staff expenses	5,468	5,402
Councilor tool kits	-	199
	<b>68,530</b>	<b>64,381</b>
National executive		
Meeting costs	23,272	20,603
Officer expenses	7,543	4,605
Senior staff expenses	5,816	4,070
	<b>36,631</b>	<b>29,278</b>
Officers and senior staff meetings		
Meeting costs	625	528
Officer expenses	743	672
Senior staff expenses	13	351
	<b>1,381</b>	<b>1,551</b>
Honoraria	48,875	49,000
Officer expenses - other	12,514	13,388
<b>Total</b>	<b>167,931</b>	<b>157,598</b>

<i>Schedule B</i>		
National Committees		
Political action committee	-	29
Finance committee meetings	161	274
Communications committee meetings	-	1,399
Women's committee	2,887	2,417
Archives committee	1,124	-
Other committee	784	2,848
Diversity committee	2,419	1,185
	<b>\$ 7,375</b>	<b>\$ 8,152</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2011**

	<b>2011</b>	2010
<b>National Executive Director's Office</b>		
	<i>Schedule C</i>	
Salaries	\$ 238,385	\$ 231,466
RRSP	30,753	28,302
General benefits	19,183	23,773
	<b>288,321</b>	283,541
National executive director expenses	9,651	6,953
Regional director expenses	11,951	7,690
	<b>309,923</b>	298,184
<b>National Organizing Campaign</b>		
	<i>Schedule D</i>	
Communications	206	56,399
Organizers	204,496	75,000
Meetings	2,720	1,898
	<b>207,422</b>	133,297
<b>Bargaining and Research</b>		
	<i>Schedule E</i>	
Salaries	280,801	317,665
RRSP	28,438	31,082
General benefits	53,108	56,171
	<b>362,347</b>	404,918
Director expenses	12,290	8,471
Research materials & projects	8,081	23,505
	<b>\$ 382,718</b>	\$ 436,894

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2011**

	2011	2010
Collective Agreements	<i>Schedule F</i>	
CBC - Negotiations	\$ 502	\$ -
- Senior staff expenses	141	111
	<b>643</b>	<b>111</b>
Commercials - Negotiations	166	-
- Officer expenses	-	313
- Senior staff expenses	166	3,483
- Administration	8,457	20,362
- Legal	-	312
- Printing	10,473	34,609
	<b>19,262</b>	<b>59,079</b>
IPA - Negotiations	-	12,290
- Officer expenses	-	537
- Senior staff expenses	19	2,540
- Administration	35,191	12,333
- Legal	84,264	56,906
- Printing	20,640	40,264
	<b>140,114</b>	<b>124,870</b>
Other - Negotiations	1,616	2,476
- Senior staff expenses	726	50
- Legal	1,584	4,648
	<b>3,926</b>	<b>7,174</b>
	<b>\$ 163,945</b>	<b>\$ 191,234</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2011**

	2011	2010
<b>Policy and Communications</b>		
	<i>Schedule G</i>	
Salaries	\$ 226,401	\$ 221,137
RRSP	20,659	17,497
General benefits	38,033	43,471
	<b>285,093</b>	<b>282,105</b>
Director expenses	27,574	21,859
Lobbying expenses	133,227	145,029
President's expenses	2,416	4,913
	<b>163,217</b>	<b>171,801</b>
InterACTRA news	89,556	81,016
Advertising	4,777	7,157
Sponsorships	34,000	33,500
Promotional materials	2,659	(147)
Administrative services	12,054	7,252
Publications	1,186	1,766
ACTRA awards	30,689	30,291
Public relations officer's expenses	4,288	1,927
Policy consultant	7,875	13,218
ACTRA website	40,695	13,935
	<b>227,779</b>	<b>189,915</b>
	<b>676,089</b>	<b>643,821</b>
<b>Industry Relations</b>		
	<i>Schedule H</i>	
Banff television Festival	15,573	10,449
CMPA Prime Time Annual Conference	7,042	-
	<b>22,615</b>	<b>10,449</b>
<b>External Relations</b>		
	<i>Schedule I</i>	
FIA affiliation fees	32,064	37,369
CLC affiliation fees	170,999	170,999
CLC committee and travel	463	4,467
Officer expenses - FIA	1,408	2,903
- FIANA	-	819
- SAG/AFTRA	3,660	3,488
- WIPO-WTO	1,767	-
Senior staff expenses - FIA	1,133	3,371
- FIANA	-	2,310
- SAG/WTO	7,472	6,598
- WIPO/WTO	4,554	1,643
Other	2,244	2,695
	<b>\$ 225,764</b>	<b>\$ 236,662</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2011**

	2011	2010
<b>Finance, Human Resources and Administration</b>		
	<i>Schedule J</i>	
Salaries	\$ 683,006	\$ 571,046
RRSP	54,565	56,208
General benefits	99,096	117,799
	<b>836,667</b>	<b>745,053</b>
National Director of Finance and Administration expenses	1,604	1,521
Printing	13,998	18,786
Referenda	20,359	-
Professional fees	1,306	216
Auditing fees	11,665	11,510
Legal fees	5,665	2,386
Staff conference	12,012	19,405
Staff recruitment	1,196	-
Staff training	4,126	5,068
Staff appreciation	1,707	869
Bank charges	9,268	8,731
Administration arrangement fee	226,291	206,812
Alliance debt reduction	12,287	10,000
	<b>321,484</b>	<b>285,304</b>
	<b>1,158,151</b>	<b>1,030,357</b>
<b>Information Services</b>		
	<i>Schedule K</i>	
Salaries	434,155	442,823
RRSP	36,472	36,230
General benefits	73,188	93,478
	<b>543,815</b>	<b>572,531</b>
Maintenance	2,623	8,041
Software	31,573	36,758
Hardware	4,030	5,152
Supplies	6,525	5,841
Network costs	34,209	37,605
Depreciation - computer equipment and systems	56,495	28,785
Consulting fees	105,065	946
IT Travel	9,133	-
IT steering committee	1,419	1,011
	<b>\$ 794,887</b>	<b>\$ 696,670</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 28, 2011**

	<b>2011</b>	2010
Occupancy	<i>Schedule L</i>	
Rent	\$ 264,098	\$ 259,274
Telephone	20,820	20,711
Insurance	35,069	36,690
Supplies and miscellaneous	15,416	20,467
Postage	25,619	21,789
Courier	14,773	11,974
Furniture and fixtures - repair	3,006	3,022
Equipment rental	25,463	23,030
Depreciation - furniture and fixtures	11,657	11,015
	<b>\$ 415,921</b>	<b>\$ 407,972</b>