

ACTRA NATIONAL
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2014

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACTRA NATIONAL

Report on Financial Statements

We have audited the accompanying financial statements of ACTRA National, which comprise the balance sheet as at February 28, 2014 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 28, 2014, 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
May 29, 2014

CHARTERED ACCOUNTANTS
Licensed Public Accountants

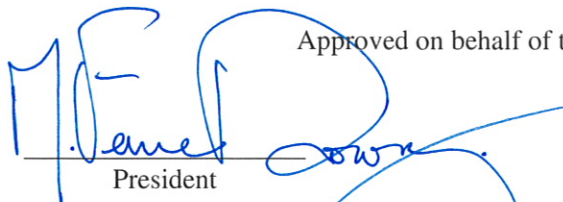
ACTRA NATIONAL


BALANCE SHEET

AS AT FEBRUARY 28, 2014

	2014	2013
ASSETS		
Current assets		
Cash (note 5)	\$ 3,613,099	\$ 3,310,759
Marketable security (note 2)	1,660,836	1,505,718
Accounts receivable	116,401	170,788
Prepaid expenses and deposits	74,166	88,457
Due from ACTRA Performers' Rights Society (note 5)	312,887	205,842
	<u>5,777,389</u>	<u>5,281,564</u>
Investment in Credit Union (note 5)	318,465	218,465
Equipment and furniture (note 3)	77,071	61,273
	<u>395,536</u>	<u>279,738</u>
	<u>6,172,925</u>	<u>5,561,302</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	1,254,829	1,130,520
Accrued vacation pay	67,989	66,065
Due to Branches (note 5)	2,475,375	2,057,415
Due to ACTRA Toronto Performers Branch (note 5)	84,059	81,777
Due to Alliance of Canadian Cinema, Television and Radio Artists (note 5)	2,000	4,022
Due to U.B.C.P. (note 5)	136,207	112,604
	<u>4,020,459</u>	<u>3,452,403</u>
NET ASSETS		
Extraordinary contingency fund (note 1)	2,383	2,383
Net assets transferred to Branches	(553,101)	(521,680)
Unappropriated net assets	2,626,113	2,566,923
Invested in equipment and furniture	77,071	61,273
	<u>2,152,466</u>	<u>2,108,899</u>
	<u>\$ 6,172,925</u>	<u>\$ 5,561,302</u>

Approved on behalf of the Board:


President


Treasurer

ACTRA NATIONAL

STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 28, 2014

	2014	2013
Income		
Per capita - full members	\$ 3,588,506	\$3,492,675
Per capita - apprentice members	330,150	343,125
Equalization income	1,169,849	1,096,735
Interest income	108,281	107,505
Unrealized gain on marketable security	43,567	70,443
	5,240,353	5,110,483
Expenses		
National council and executive (<i>Schedule A</i>)	172,463	161,022
National committees (<i>Schedule B</i>)	12,305	13,992
National executive director's office (<i>Schedule C</i>)	305,079	298,111
National Organizing Campaign (<i>Schedule D</i>)	109,862	64,725
Bargaining and research (<i>Schedule E</i>)	490,437	441,104
Collective agreements (<i>Schedule F</i>)	111,656	228,403
Policy and communications (<i>Schedule G</i>)	653,131	582,286
Industry relations (<i>Schedule H</i>)	21,858	18,285
External relations (<i>Schedule I</i>)	324,679	329,067
Finance, human resources and administration (<i>Schedule J</i>)	1,117,352	1,094,816
Information services (<i>Schedule K</i>)	703,838	629,059
Occupancy (<i>Schedule L</i>)	386,922	403,509
HST/GST expense	79,216	76,513
Apprentice member credit	115,835	143,905
Donations	20,782	20,425
	4,625,415	4,505,222
Excess of income over expenses before transfer payments	614,938	605,261
Transfer payments to branches (<i>note 5</i>)	(18,270)	(13,000)
Excess of income over expenses	\$ 596,668	\$ 592,261

ACTRA NATIONAL

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED FEBRUARY 28, 2014

	Invested in Equipment and Furniture	Unappropriated Net Assets	Net Assets Transferred to Branches	Extraordinary Contingency Fund	Total 2014	Total 2013
Net assets - at beginning of year	\$ 61,273	\$ 2,566,923	\$ (521,680)	\$ 2,383	\$ 2,108,899	\$ 2,038,318
Excess of income over expenses	-	596,668	-	-	596,668	592,261
Prior year transfer of net assets to branches	-	(521,680)	521,680	-	-	-
Transfer of net assets to branches (note 5)	-	-	(553,101)	-	(553,101)	(521,680)
Purchase of property and equipment	58,815	(58,815)	-	-	-	-
Depreciation	(43,017)	43,017	-	-	-	-
Net assets - at end of year	\$ 77,071	\$ 2,626,113	\$ (553,101)	\$ 2,383	\$ 2,152,466	\$ 2,108,899

ACTRA NATIONAL

STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 28, 2014

	2014	2013
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 5,142,892	\$ 4,907,540
Cash paid to employees and suppliers	(4,460,144)	(4,333,048)
Interest received	108,281	107,505
	791,029	681,997
Cash flows from financing activity		
(Advances to) from related organizations	(218,323)	81,965
Cash flows from investing activities		
Purchase of equipment and furniture	(58,815)	(9,747)
Purchase of marketable security	(111,551)	(103,706)
Purchase of investment in Credit Union	(100,000)	(6,547)
	(270,366)	(120,000)
Change in cash during the year	302,340	643,962
Cash - at beginning of year	3,310,759	2,666,797
Cash - at end of year	\$ 3,613,099	\$ 3,310,759

ACTRA NATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2014

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

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 and investment in Credit Union 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.

Equipment and Furniture

Equipment and furniture 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	- 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 2014.

ACTRA NATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2014

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. *EQUIPMENT AND FURNITURE*

Details of equipment and furniture are as follows:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	
			<i>2014</i>	<i>2013</i>
Computer equipment	\$ 917,299	\$ 874,113	\$ 43,186	\$ 31,588
Computer software	197,600	188,045	9,555	15,215
Furniture and fixtures	231,945	230,354	1,591	1,717
Leasehold improvements	29,052	6,313	22,739	12,753
	\$ 1,375,896	\$ 1,298,825	\$ 77,071	\$ 61,273

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

4. *ACCOUNTS PAYABLE AND ACCRUED LIABILITIES*

Accounts payable and accrued liabilities include government remittances totalling \$9,646 (\$13,214 in 2013).

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 and with the Alliance of Canadian Cinema, Television and Radio Artists (the "Alliance") in that they have common management. 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 28, 2014

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 in</i>	
	<i>2014</i>	<i>2013</i>
Assets (liabilities)		
Due from ACTRA Performers Rights Society	\$ 312,887	\$ 205,842
Due to ACTRA Branches	(2,475,375)	(2,057,415)
Due to ACTRA Toronto Performers Branch	(84,059)	(81,777)
Due to from U.B.C.P.	(136,207)	(112,604)
Due to Alliance of Canadian Cinema, Television and Radio Artists	(2,000)	(4,022)
	(2,384,754)	(2,049,976)
	<i>Transaction Value</i>	
	<i>2014</i>	<i>2013</i>
Statement of Changes in Net Assets		
Distribution of surplus		
ACTRA Branches	118,250	115,217
ACTRA Toronto Performers Branch	313,885	290,098
U.B.C.P.	120,966	116,365
	553,101	521,680
Statement of Operations		
Transfer payments		
ACTRA Branches	18,270	13,000
Alliance of Canadian Cinema, Television and Radio Artists	8,000	11,200
	\$ 26,270	\$ 24,200

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 28, 2014

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 exchange amount plus dividends re-invested and aggregated \$318,465 (\$218,465 in 2013). 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 \$1,864,648 (\$1,146,172 in 2013), which is included in cash balance as at February 28, 2014.

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	2015	\$ 139,800	\$ 20,700	\$ 160,500
	2016	152,900	10,800	163,700
	2017	163,400	10,800	174,200
	2018	164,300	10,800	175,100
	2019	164,300	10,800	175,100
	2020 and thereafter	232,800	8,000	232,800
		<u>\$ 1,017,500</u>	<u>\$ 71,900</u>	<u>\$ 1,081,400</u>

In addition, the Organization is obligated to pay operating costs for its office space. The operating costs paid for the current year were approximately \$131,000 (\$145,000 - 2013).

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2014

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. The Organization mitigates credit risk by monitoring the accounts on a regular basis.

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 and 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 28, 2014

	2014	2013
<i>Schedule A</i>		
National Council and Executive		
National council		
Meeting costs	\$ 26,650	\$ 27,754
Councilor travel costs	26,333	28,648
Officer expenses	1,563	4,243
Senior staff expenses	4,449	4,722
	58,995	65,367
National executive		
Meeting costs	22,593	16,585
Officer expenses	8,124	4,800
Senior staff expenses	8,916	6,328
	39,633	27,713
Officers and senior staff meetings		
Meeting costs	41	284
Officer expenses	18	101
	59	385
Honoraria	54,833	54,879
Officer expenses - other	18,943	12,678
	73,776	67,557
Total	172,463	161,022

<i>Schedule B</i>		
National Committees		
Finance committee meetings	64	199
Stunt committee	6,285	4,147
Women's committee	4,343	4,680
Archives committee	150	-
Other committees	66	136
Diversity committee	1,397	4,830
	\$ 12,305	\$ 13,992

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2014

	2014	2013
National Executive Director's Office		
	<i>Schedule C</i>	
Salaries	\$ 238,270	\$ 227,929
RRSP	28,438	27,331
General benefits	19,847	19,170
	286,555	274,430
National executive director expenses	9,739	9,702
Regional director expenses	8,785	13,979
	18,524	23,681
	305,079	298,111
National Organizing Campaign		
	<i>Schedule D</i>	
Communications	330	-
Organizers	90,034	56,250
Travel	8,567	-
Meetings	4,931	4,225
Stunt Community Liaison/Consultant	6,000	4,250
	109,862	64,725
Bargaining and Research		
	<i>Schedule E</i>	
Salaries	361,544	324,262
RRSP	36,419	32,736
General benefits	62,729	64,117
	460,692	421,115
Director expenses	15,307	11,022
Research materials & projects	12,101	8,967
CRTC hearings	2,337	-
	29,745	19,989
	\$ 490,437	\$ 441,104

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2014

	2014	2013
Collective Agreements	<i>Schedule F</i>	
CBC - Negotiations	\$ 1,585	\$ 1,003
- Senior staff expenses	-	13
	1,585	1,016
Commercials - Negotiations	7,008	-
- Officer expenses	1,295	-
- Senior staff expenses	5,806	-
- Administration	3,055	7,025
- Legal	115	6,676
- Printing	9,918	14,215
	27,197	27,916
IPA/BCMPA - Officer expenses	-	1,342
- Negotiation costs	-	144,449
- Senior staff expenses	-	15,280
- Administration	16,595	370
- Legal	3,031	18,126
- Printing	44,348	18,645
	63,974	198,212
Other - Negotiations	6,515	657
- Senior staff expenses	3,294	24
- Administration	329	578
- Legal	5,717	-
- Officers	3,045	-
	18,900	1,259
	\$ 111,656	\$ 228,403

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2014

	2014	2013
Policy and Communications		
	<i>Schedule G</i>	
Salaries	\$ 266,586	\$ 236,380
RRSP	23,985	20,552
General benefits	41,389	42,605
	331,960	299,537
Director expenses	16,935	19,862
Lobbying expenses	74,025	50,353
President's expenses	2,066	2,660
	93,026	72,875
ACTRA magazine	91,000	92,921
Advertising	8,159	6,270
Sponsorships	48,479	41,910
Promotional materials	6,900	5,955
Administrative services	11,071	17,053
Publications	2,961	3,469
ACTRA awards	48,803	32,858
Public relations officer's expenses	5,258	4,649
ACTRA website	5,514	4,789
	228,145	209,874
	653,131	582,286
Industry Relations		
	<i>Schedule H</i>	
Banff world television festival	8,908	8,123
CMPTA Prime Time Annual Conference	12,950	4,046
Broadcast Summit	-	6,116
	21,858	18,285
External Relations		
	<i>Schedule I</i>	
FIA affiliation fees	48,011	36,275
CLC affiliation fees	170,999	171,000
CLC assessed per capita	41,293	-
CLC committee and travel	10,693	6,166
Officer expenses - FIA	5,387	9,495
- FIANA	983	3,023
- SAG/AFTRA	5,562	5,302
- WIPO-WTO	-	4,330
Senior staff expenses - FIA	3,400	2,608
- FIANA	612	4,287
- SAG/AFTRA	9,613	10,754
- WIPO/WTO	-	14,356
Special projects consultant	28,126	60,412
Other	-	1,059
	\$ 324,679	\$ 329,067

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2014

	2014	2013
Finance, Human Resources and Administration		
	<i>Schedule J</i>	
Salaries	\$ 862,352	\$ 828,272
RRSP	69,524	65,453
General benefits	103,639	114,787
	1,035,515	1,008,512
National Director of Finance and Administration expenses	2,081	1,438
Printing	16,666	21,530
Professional fees	3,000	300
Auditing fees	12,599	12,805
Legal fees	1,543	1,656
Staff conference	19,287	18,075
Staff recruitment	297	2,577
Staff training	2,975	3,440
Staff appreciation	2,793	2,229
Bank charges	12,596	11,054
Alliance debt reduction	8,000	11,200
	81,837	86,304
	1,117,352	1,094,816
Information Services		
	<i>Schedule K</i>	
Salaries	457,061	379,212
RRSP	39,450	35,627
General benefits	73,790	72,741
	570,301	487,580
Maintenance	8,834	2,533
Software	32,970	21,887
Hardware	4,728	3,950
Supplies	3,697	4,978
Network costs	35,016	35,465
Depreciation - computer equipment and systems	40,354	67,128
Consulting fees	240	-
IT Director expenses	7,172	4,111
IT steering committee	526	1,427
	133,537	141,479
	\$ 703,838	\$ 629,059

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2014

	2014	2013
Occupancy	<i>Schedule L</i>	
Rent	\$ 261,375	\$ 275,258
Telephone	18,824	21,914
Insurance	32,463	32,356
Supplies and miscellaneous	12,976	11,747
Postage	25,755	24,975
Courier	10,073	9,215
Furniture, fixtures and repairs	3,624	1,968
Equipment rental and leases	19,170	23,543
Depreciation - furniture and fixtures	2,662	2,533
	\$ 386,922	\$ 403,509