

ACTRA NATIONAL
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2010

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AUDITORS' REPORT

TO THE MEMBERS OF
ACTRA

We have audited the balance sheet of ACTRA National as at February 28, 2010 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at February 28, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Clarke Henning LLP

CHARTERED ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
April 23, 2010

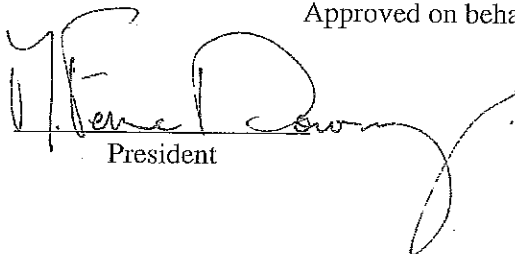
ACTRA NATIONAL

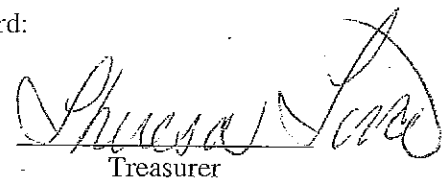
BALANCE SHEET

AS AT FEBRUARY 28, 2010

	2010	2009
ASSETS		
Current assets		
Cash	\$ 1,465,202	\$ 1,521,320
Accounts receivable	801,218	99,710
Marketable securities at fair value (note 3)	1,079,057	843,888
Prepaid expenses and deposits	78,237	70,506
Due from ACTRA Toronto Performers Branch (note 6)	112,268	479,428
Due from ACTRA Performers' Rights Society (note 6)	16,046	127,728
	<u>3,552,028</u>	<u>3,142,580</u>
Investment in Credit Union (note 4)	200,587	200,587
Furniture, equipment and software (note 5)	107,962	74,966
	<u>3,860,577</u>	<u>3,418,133</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,082,024	912,979
Accrued vacation pay	55,201	53,584
Due to Branches (note 6)	759,234	690,170
Due to Alliance of Canadian Cinema, Television and Radio Artists (note 6)	-	20,000
Due to U.B.C.P. (note 6)	52,456	23,511
	<u>1,948,915</u>	<u>1,700,244</u>
NET ASSETS		
Extraordinary contingency fund (note 2)	2,383	2,383
Net assets transferred to Branches	(209,189)	(69,893)
Unappropriated net assets	2,010,506	1,710,433
Invested in furniture, equipment and software	107,962	74,966
	<u>1,911,662</u>	<u>1,717,889</u>
	<u>\$ 3,860,577</u>	<u>\$ 3,418,133</u>

Approved on behalf of the Board:


President


Treasurer

ACTRA NATIONAL

STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 28, 2010

	2010	2009
Income		
Per capita - full members	\$ 3,107,212	\$3,160,892
Per capita - apprentice members	459,150	476,187
Equalization income	1,033,114	885,806
Interest income	42,680	85,676
Unrealized gain (loss) on marketable securities	193,771	(340,851)
	4,835,927	4,267,710
Expenses		
National council and executive <i>(Schedule A)</i>	157,598	187,791
National committees <i>(Schedule B)</i>	8,152	7,699
National executive director's office <i>(Schedule C)</i>	298,184	291,742
National Organizing Campaign <i>(Schedule D)</i>	133,297	-
Bargaining and research <i>(Schedule E)</i>	436,894	422,529
Collective agreements <i>(Schedule F)</i>	191,233	354,382
Policy and communications <i>(Schedule G)</i>	643,821	651,523
Industry relations <i>(Schedule H)</i>	10,449	22,315
External relations <i>(Schedule I)</i>	236,662	290,977
Finance, human resources and administration <i>(Schedule J)</i>	1,030,357	1,068,481
Information technology <i>(Schedule K)</i>	696,670	642,819
Occupancy <i>(Schedule L)</i>	407,972	403,654
GST expense	43,190	33,914
Apprentice member credit	88,179	76,276
Donations	23,236	21,044
	4,405,894	4,475,146
Excess (deficiency) of income over expenses before other items	430,033	(207,436)
Transfer payments to branches	(27,071)	(88,312)
Excess (deficiency) of income over expenses	\$ 402,962	\$ (295,748)

ACTRA NATIONAL

STATEMENT OF NET ASSETS

YEAR ENDED FEBRUARY 28, 2010

	<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 2010</i>	<i>Total 2009</i>
Net assets - at beginning of year	\$ 74,966	\$ 1,710,433	\$ (69,893)	\$ 2,383	\$ 1,717,889	\$ 2,083,530
Excess (deficiency) of income over expenses	-	402,962	-	-	402,962	(295,748)
Prior year transfer of net assets to branches	-	(69,893)	69,893	-	-	-
Transfer of net assets to branches	-	-	(209,189)	-	(209,189)	(69,893)
Purchase of furniture, equipment and software	72,796	(72,796)	-	-	-	-
Depreciation	(39,800)	39,800	-	-	-	-
Net assets - at end of year	\$ 107,962	\$ 2,010,506	\$ (209,189)	\$ 2,383	\$ 1,911,662	\$ 1,717,889

ACTRA NATIONAL

STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 28, 2010

	2010	2009
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 3,897,968	\$ 4,670,340
Cash paid to employees and suppliers	(4,223,388)	(4,160,195)
Interest received	42,680	85,676
	(282,740)	595,821
Cash flows from financing activity		
Advances from (to) related organizations	340,817	(893,503)
Cash flows from investing activities		
Purchase of furniture, equipment and software	(72,796)	(33,515)
Purchase of marketable securities	(41,399)	(71,011)
Purchase of investment in Credit Union	-	(200,587)
	(114,195)	(305,113)
Change in cash during the year	(56,118)	(602,795)
Cash - at beginning of year	1,521,320	2,124,115
Cash - at end of year	\$ 1,465,202	\$ 1,521,320

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2010

1. ORGANIZATION

ACTRA National is a not for profit organization. The organization is a federation of branches and local unions, national in scope, representing performers in live transmission and recorded media.

2. 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, 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, 2010

2. 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.

3. MARKETABLE SECURITIES

Details of marketable securities are as follows:

<i>Units</i>		<i>2010</i>		<i>2009</i>		
<i>2010</i>	<i>2009</i>	<i>Fair Value</i>	<i>Cost</i>	<i>Fair Value</i>	<i>Cost</i>	
120,579	115,601	KBSH Enhanced Income Fund	\$ 1,079,057	\$ 1,244,360	\$ 843,888	\$ 1,203,346

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, 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, 2010

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>2010</i>	<i>2009</i>
Computer equipment	\$ 770,646	\$ 718,283	\$ 52,363	\$ 50,540
Computer software	109,745	109,745	-	-
Furniture and fixtures	230,009	214,884	15,125	24,426
Leasehold improvements	40,474	-	40,474	-
	<u>\$ 1,150,874</u>	<u>\$ 1,042,912</u>	<u>\$ 107,962</u>	<u>\$ 74,966</u>

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

Leasehold improvements are not amortized until the start of the lease extension effective August 1, 2010.

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, 2010. The Organization has entered into a lease extension commencing on August 1, 2010 and expiring on July 31, 2020. The minimum annual payments under the leases are as follows:

		Premises	Equipment	Total
Fiscal year	2011	\$ 52,477	\$ 46,812	\$ 99,289
	2012	127,482	46,812	174,294
	2013	137,712	35,716	173,428
	2014	138,958	27,543	166,501
	2015 and thereafter	1,017,502	29,502	1,047,004

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 \$154,200 (2009 - \$147,000).

ACTRA NATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2010

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 except for marketable securities. 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.

9. CAPITAL MANAGEMENT

The Organization's capital is its unappropriated net assets. The Organization's objectives in managing its capital are to ensure it meets its responsibilities to its members. 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.

ACTRA NATIONAL**SCHEDULES OF OPERATING EXPENSES****YEAR ENDED FEBRUARY 28, 2010**

	2010	2009
National Council and Executive		
	<i>Schedule A</i>	
National council		
Meeting costs	\$ 27,804	\$ 29,721
Councilor travel costs	25,360	29,043
Officer expenses	5,616	5,214
Senior staff expenses	5,402	6,310
Councilor tool kits	199	797
	<u>64,381</u>	<u>71,085</u>
National executive		
Meeting costs	20,603	31,295
Officer expenses	4,605	10,363
Senior staff expenses	4,070	8,568
	<u>29,278</u>	<u>50,226</u>
Officers and senior staff meetings		
Meeting costs	528	512
Officer expenses	672	1,264
Senior staff expenses	351	461
	<u>1,551</u>	<u>2,237</u>
Honoraria	49,000	49,000
Officer expenses - other	13,388	15,243
Total	<u><u>157,598</u></u>	<u><u>187,791</u></u>

National Committees		
	<i>Schedule B</i>	
Political action committee	29	378
Finance committee meetings	274	276
Communications committee meetings	1,399	283
Other committees	5,265	5,847
Diversity committee	1,185	915
	<u>\$ 8,152</u>	<u>\$ 7,699</u>

ACTRA NATIONAL
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2010

	2010	2009
National Executive Director's Office		
	<i>Schedule C</i>	
Salaries	\$ 231,466	\$ 225,593
RRSP	28,302	25,943
General benefits	23,773	21,262
	283,541	272,798
National executive director expenses	6,953	10,214
Regional director expenses	7,690	8,730
	298,184	291,742
National Organizing Campaign		
	<i>Schedule D</i>	
Communications	56,399	-
Organizers	75,000	-
Meetings	1,898	-
	133,297	-
Bargaining and Research		
	<i>Schedule E</i>	
Salaries	317,665	304,513
RRSP	31,082	29,476
General benefits	56,171	58,476
	404,918	392,465
Director expenses	8,471	14,221
Research materials	14,275	2,769
Organizing expenses and tools	9,230	13,074
	\$ 436,894	\$ 422,529

ACTRA NATIONAL

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED FEBRUARY 28, 2010

	2010	2009
Collective Agreements		<i>Schedule F</i>
CBC - Negotiations	\$ -	\$ 3,506
- Officer expenses	-	19
- Senior staff expenses	111	15
	<u>111</u>	<u>3,540</u>
Commercials - Negotiations	-	113,732
- Officer expenses	313	11,449
- Senior staff expenses	3,483	49,935
- Administration	20,362	4,422
- Legal	312	61,591
- Printing	34,609	10,713
	<u>59,079</u>	<u>251,842</u>
IPA - Negotiations	12,290	2,380
- Officer expenses	537	87
- Senior staff expenses	2,540	2,242
- Administration	986	255
- Legal	68,252	78,693
- Printing	40,264	14,078
	<u>124,869</u>	<u>97,735</u>
Other - Negotiations	2,476	1,107
- Senior staff expenses	50	158
- Legal	4,648	-
	<u>7,174</u>	<u>1,265</u>
	<u>\$ 191,233</u>	<u>\$ 354,382</u>

ACTRA NATIONAL

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED FEBRUARY 28, 2010

	2010	2009
Policy and Communications		
	<i>Schedule G</i>	
Salaries	\$ 221,137	\$ 225,626
RRSP	17,497	15,405
General benefits	43,471	41,888
	282,105	282,919
Director expenses	21,859	23,152
Lobbying expenses	145,029	107,940
President's expenses	4,913	10,594
	171,801	141,686
InterACTRA news	81,016	104,259
Advertising	7,157	7,472
Sponsorships	33,500	39,020
Promotional materials	(147)	938
Administrative services	7,252	7,597
Publications	1,766	35
ACTRA awards	30,291	23,907
Public relations officer's expenses	1,927	2,239
Policy consultant	13,218	33,951
ACTRA website	13,935	7,500
	189,915	226,918
	643,821	651,523
Industry Relations		
	<i>Schedule H</i>	
Banff television Festival	10,449	13,152
CFTPA Prime Time Annual Conference	-	9,163
	10,449	22,315
External Relations		
	<i>Schedule I</i>	
FIA affiliation fees	37,369	36,328
CLC affiliation fees	170,999	170,999
CLC committee and travel	4,467	27,091
Officer expenses - FIA	2,903	3,891
- FIANA	819	4,395
- SAG/AFTRA	3,488	13,074
Senior staff expenses - FIA	3,371	7,722
- FIANA	2,310	5,167
- SAG/WTO	6,598	12,573
- WIPO/WTO	1,643	4,101
Other	2,695	5,636
	\$ 236,662	\$ 290,977

ACTRA NATIONAL

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED FEBRUARY 28, 2010

	2010	2009
Finance, Human Resources and Administration		
	<i>Schedule J</i>	
Salaries	\$ 571,046	\$ 572,060
RRSP	56,208	51,873
General benefits	117,799	108,117
	<u>745,053</u>	<u>732,050</u>
National Director of Finance and Administration expenses	1,521	2,025
Printing	18,786	26,099
Professional fees	216	710
Auditing fees	11,510	11,392
Legal fees	2,386	2,470
Staff conference	19,405	17,800
Staff recruitment	-	1,924
Staff training	5,068	7,115
Staff appreciation	869	2,065
Bank charges	8,731	8,687
Administration arrangement fee	206,812	236,144
Alliance debt reduction	10,000	20,000
	<u>285,304</u>	<u>336,431</u>
	<u>1,030,357</u>	<u>1,068,481</u>
Information Technology		
	<i>Schedule K</i>	
Salaries	442,823	419,474
RRSP	36,230	33,345
General benefits	93,478	86,376
	<u>572,531</u>	<u>539,195</u>
Maintenance	8,041	4,041
Software	36,758	18,551
Hardware	5,152	4,290
Supplies	5,841	5,279
Network costs	37,605	42,176
Depreciation - computer equipment	28,785	25,087
Consulting fees	946	3,962
IT steering committee	1,011	238
	<u>\$ 696,670</u>	<u>\$ 642,819</u>

ACTRA NATIONAL

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED FEBRUARY 28, 2010

	2010	2009
Occupancy		<i>Schedule L</i>
Rent	\$ 259,274	\$ 252,152
Telephone	20,711	22,728
Insurance	36,690	31,020
Supplies and miscellaneous	20,467	17,096
Postage	21,789	21,390
Courier	11,974	17,013
Furniture and fixtures - repair	3,022	5,126
Equipment rental	23,030	23,559
Depreciation - furniture and fixtures	11,015	13,570
	\$ 407,972	\$ 403,654