

**ACTRA NATIONAL**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED FEBRUARY 29, 2012**

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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 29, 2012, 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 29, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Clarke Henning LLP*

Toronto, Ontario  
May 27, 2012

CHARTERED ACCOUNTANTS  
Licensed Public Accountants

# ACTRA NATIONAL

## BALANCE SHEET

AS AT FEBRUARY 29, 2012

	2012	2011
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,666,797	\$ 2,252,587
Marketable security (note 3)	1,331,569	1,260,605
Accounts receivable	145,793	318,504
Prepaid expenses and deposits	130,116	66,966
Due from ACTRA Toronto Performers Branch (note 6)	174,971	189,805
Due from U.B.C.P. (note 6)	-	1,254
Due from ACTRA Performers' Rights Society (note 6)	240,093	182,333
	<b>4,689,339</b>	<b>4,272,054</b>
Investment in Credit Union (note 4)	211,918	205,308
Property and equipment (note 5)	121,186	124,367
	<b>333,104</b>	<b>329,675</b>
	<b>5,022,443</b>	<b>4,601,729</b>

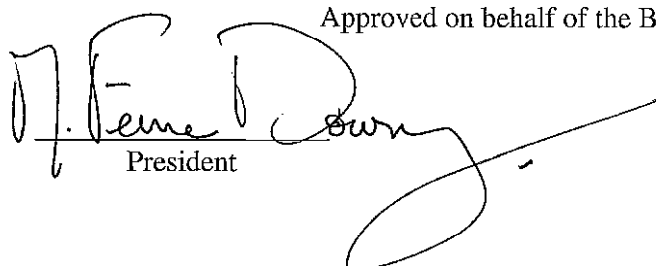
## LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	1,065,614	1,010,480
Accrued vacation pay	57,116	55,584
Due to Branches (note 6)	1,847,895	1,578,216
Due to Alliance of Canadian Cinema, Television and Radio Artists (note 6)	1,922	2,048
Due to U.B.C.P. (note 6)	11,578	-
	<b>2,984,125</b>	<b>2,646,328</b>

## NET ASSETS

Extraordinary contingency fund (note 2)	2,383	2,383
Net assets transferred to Branches	(41,435)	-
Unappropriated net assets	1,956,184	1,828,651
Invested in furniture, equipment and software	121,186	124,367
	<b>2,038,318</b>	<b>1,955,401</b>
	<b>\$ 5,022,443</b>	<b>\$ 4,601,729</b>

Approved on behalf of the Board:

  
President

  
Treasurer

# ACTRA NATIONAL

## STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 29, 2012

	2012	2011
Income		
Per capita - full members	\$ 3,308,969	\$3,088,687
Per capita - apprentice members	388,425	450,075
Equalization income	1,074,565	1,192,469
Interest income	97,201	43,361
Unrealized (loss) gain on marketable security	(17,428)	144,221
	<b>4,851,732</b>	4,918,813
Expenses		
National council and executive ( <i>Schedule A</i> )	147,856	167,931
National committees ( <i>Schedule B</i> )	6,776	7,375
National executive director's office ( <i>Schedule C</i> )	269,758	309,923
National Organizing Campaign ( <i>Schedule D</i> )	233,227	207,422
Bargaining and research ( <i>Schedule E</i> )	447,447	382,718
Collective agreements ( <i>Schedule F</i> )	171,557	163,945
Policy and communications ( <i>Schedule G</i> )	616,351	676,089
Industry relations ( <i>Schedule H</i> )	9,201	22,615
External relations ( <i>Schedule I</i> )	318,594	225,764
Finance, human resources and administration ( <i>Schedule J</i> )	1,076,353	1,158,151
Information services ( <i>Schedule K</i> )	734,849	794,887
Occupancy ( <i>Schedule L</i> )	390,564	415,921
HST/GST expense	98,424	62,077
Apprentice member credit	166,068	188,919
Donations	21,000	20,500
	<b>4,708,025</b>	4,804,237
Excess of income over expenses before other items	143,707	114,576
Transfer payments to branches	(19,355)	(70,837)
Excess of income over expenses	<b>\$ 124,352</b>	<b>\$ 43,739</b>

# ACTRA NATIONAL

## STATEMENT OF NET ASSETS

YEAR ENDED FEBRUARY 29, 2012

	<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 2012</i>	<i>Total 2011</i>
Net assets - at beginning of year	\$ 124,367	\$ 1,828,651	\$ -	\$ 2,383	\$ 1,955,401	\$ 1,911,662
Excess of income over expenses	-	124,352	-	-	124,352	43,739
Transfer of net assets to branches	-	-	(41,435)	-	(41,435)	-
Purchase of property and equipment	71,903	(71,903)	-	-	-	-
Depreciation	(75,084)	75,084	-	-	-	-
Net assets - at end of year	\$ 121,186	\$ 1,956,184	\$ (41,435)	\$ 2,383	\$ 2,038,318	\$ 1,955,401

# ACTRA NATIONAL

## STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 29, 2012

	2012	2011
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 4,944,670	\$ 5,213,945
Cash paid to employees and suppliers	(4,658,780)	(4,868,803)
Interest received	97,201	43,361
	<u>383,091</u>	<u>388,503</u>
Cash flows from financing activity		
Advances from related organizations	198,024	525,487
Cash flows from investing activities		
Purchase of property and equipment	(71,903)	(84,557)
Purchase of marketable security	(88,392)	(37,327)
Purchase of investment in Credit Union	(6,610)	(4,721)
	<u>(166,905)</u>	<u>(126,605)</u>
Change in cash during the year	414,210	787,385
Cash - at beginning of year	2,252,587	1,465,202
Cash - at end of year	<u>\$ 2,666,797</u>	<u>\$ 2,252,587</u>

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2012

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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 security, advances to/from related organizations, investment in Credit Union, accounts payable and accrued liabilities and accrued vacation pay. Cash and marketable security are classified as held for trading and stated at fair value. Accounts receivable and advances to related organizations 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 from related organizations are classified as other financial liabilities, which are measured at amortized cost.

#### *Marketable Security*

Investment in marketable security is recorded at fair value. Unrealized holding gains and losses are included in the statement of operations. The quoted market price is used to estimate fair value.

#### *Property and Equipment*

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	- over the term of the lease of ten 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. Equalization and interest income are recorded as earned.

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2012

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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 SECURITY

Details of the investment are as follows:

Units		2012		2011	
2012	2011	Fair Value	Cost	Fair Value	Cost
105,680	124,566	\$ 1,331,569	\$ 1,351,506	\$ 1,260,605	\$ 1,281,688

### 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 29, 2012

### 5. PROPERTY AND EQUIPMENT

Details of property and equipment are as follows:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	
			<i>2012</i>	<i>2011</i>
Computer equipment	\$ 871,435	\$ 808,642	\$ 62,793	\$ 63,904
Computer software	188,096	146,034	42,062	39,199
Furniture and fixtures	230,608	228,749	1,859	5,072
Leasehold improvements	17,195	2,723	14,472	16,192
	<b>\$ 1,307,334</b>	<b>\$ 1,186,148</b>	<b>\$ 121,186</b>	<b>\$ 124,367</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 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:

		<i>Premises</i>	<i>Equipment</i>	<i>Total</i>
Fiscal year	2013	\$ 137,700	\$ 79,300	\$ 217,000
	2014	139,000	27,600	166,600
	2015	139,800	9,800	149,600
	2016	152,900	-	152,900
	2017	163,400	-	163,400
	2018 and thereafter	561,400	-	561,400
		<b>\$ 1,294,200</b>	<b>\$ 116,700</b>	<b>\$ 1,410,900</b>

In addition, the Organization is obligated to pay operating costs for its office space. The operating costs paid for the current year were approximately \$150,000 (\$137,000 - 2011).

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2012

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### *8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT*

The Organization's financial instruments consist of cash, marketable security, 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 security. Market risk is the potential loss the Organization may incur as a result of changes in the fair value of the security. See note 3 for details of marketable security.

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 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.

# ACTRA NATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 29, 2012

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### *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 29, 2012**

	<b>2012</b>	2011
<i>Schedule A</i>		
National Council and Executive		
National council		
Meeting costs	\$ 27,243	\$ 30,199
Councilor travel costs	35,332	28,248
Officer expenses	6,945	4,615
Senior staff expenses	7,538	5,468
	<b>77,058</b>	68,530
National executive		
Meeting costs	7,075	23,272
Officer expenses	783	7,543
Senior staff expenses	550	5,816
	<b>8,408</b>	36,631
Officers and senior staff meetings		
Meeting costs	410	625
Officer expenses	209	743
Senior staff expenses	-	13
	<b>619</b>	1,381
Honoraria	49,000	48,875
Officer expenses - other	12,771	12,514
<b>Total</b>	<b>147,856</b>	167,931

<i>Schedule B</i>		
National Committees		
Finance committee meetings	108	161
Women's committee	2,785	2,887
Archives committee	222	1,124
Other committees	80	784
Diversity committee	3,581	2,419
	<b>\$ 6,776</b>	\$ 7,375

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 29, 2012**

	<b>2012</b>	2011
<b>National Executive Director's Office</b>		
	<i>Schedule C</i>	
Salaries	\$ 209,626	\$ 238,385
RRSP	24,908	30,753
General benefits	18,967	19,183
	<b>253,501</b>	288,321
National executive director expenses	9,552	9,651
Regional director expenses	6,705	11,951
	<b>269,758</b>	309,923
<b>National Organizing Campaign</b>		
	<i>Schedule D</i>	
Communications	21	206
Legal Fund	5,000	-
Organizers	225,000	204,496
Travel	735	-
Meetings	2,471	2,720
	<b>233,227</b>	207,422
<b>Bargaining and Research</b>		
	<i>Schedule E</i>	
Salaries	328,814	280,801
RRSP	32,577	28,438
General benefits	64,122	53,108
	<b>425,513</b>	362,347
Director expenses	11,203	12,290
Research materials & projects	10,731	8,081
	<b>\$ 447,447</b>	\$ 382,718

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 29, 2012**

	<b>2012</b>	2011
Collective Agreements	<i>Schedule F</i>	
CBC - Negotiations	\$ 2,019	\$ 502
- Senior staff expenses	-	141
	<b>2,019</b>	<b>643</b>
Commercials - Negotiations	<b>62,850</b>	166
- Officer expenses	<b>1,600</b>	-
- Senior staff expenses	<b>24,821</b>	166
- Administration	<b>(14)</b>	8,457
- Legal	<b>4,855</b>	-
- Printing	<b>31,846</b>	10,473
	<b>125,958</b>	<b>19,262</b>
IPA - Officer expenses	<b>20</b>	-
- Senior staff expenses	<b>152</b>	19
- Administration	<b>7,342</b>	35,191
- Legal	<b>10,749</b>	84,264
- Printing	<b>18,680</b>	20,640
	<b>36,943</b>	<b>140,114</b>
Other - Negotiations	<b>6,076</b>	1,616
- Senior staff expenses	<b>78</b>	726
- Administration	<b>483</b>	-
- Legal	<b>-</b>	1,584
	<b>6,637</b>	<b>3,926</b>
	<b>\$ 171,557</b>	<b>\$ 163,945</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 29, 2012**

	2012	2011
Policy and Communications	<i>Schedule G</i>	
Salaries	\$ 213,992	\$ 226,401
RRSP	18,726	20,659
General benefits	41,545	38,033
	<b>274,263</b>	<b>285,093</b>
Director expenses	21,747	27,574
Lobbying expenses	100,617	133,227
President's expenses	1,038	2,416
	<b>123,402</b>	<b>163,217</b>
ACTRA magazine	87,708	89,556
Advertising	9,360	4,777
Sponsorships	32,707	34,000
Promotional materials	9,818	2,659
Administrative services	12,244	12,054
Publications	14,187	1,186
ACTRA awards	19,019	30,689
Public relations officer's expenses	2,972	4,288
Policy consultant	7,641	7,875
ACTRA website	23,030	40,695
	<b>218,686</b>	<b>227,779</b>
	<b>616,351</b>	<b>676,089</b>

Industry Relations	<i>Schedule H</i>	
Banff television Festival	-	15,573
CMPA Prime Time Annual Conference	6,005	7,042
Broadcast Summit	3,196	-
	<b>9,201</b>	<b>22,615</b>

External Relations	<i>Schedule I</i>	
FIA affiliation fees	37,386	32,064
CLC affiliation fees	170,999	170,999
CLC committee and travel	75,265	463
Officer expenses - FIA	5,691	1,408
- SAG/AFTRA	5,683	3,660
- WIPO-WTO	-	1,767
Senior staff expenses - FIA	2,879	1,133
- SAG/WTO	10,495	7,472
- WIPO/WTO	6,631	4,554
Other	3,565	2,244
	<b>\$ 318,594</b>	<b>\$ 225,764</b>

**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 29, 2012**

	<b>2012</b>	2011
<b>Finance, Human Resources and Administration</b>		
	<i>Schedule J</i>	
Salaries	\$ 597,573	\$ 683,006
RRSP	60,492	54,565
General benefits	116,143	99,096
	<b>774,208</b>	836,667
National Director of Finance and Administration expenses	1,515	1,604
Printing	20,726	13,998
Referenda	-	20,359
Professional fees	2,684	1,306
Auditing fees	11,577	11,665
Legal fees	3,648	5,665
Staff conference	17,949	12,012
Staff recruitment	-	1,196
Staff training	5,457	4,126
Staff appreciation	1,474	1,707
Bank charges	9,245	9,268
Administration arrangement fee	221,420	226,291
Alliance debt reduction	6,450	12,287
	<b>302,145</b>	321,484
	<b>1,076,353</b>	1,158,151
<b>Information Services</b>		
	<i>Schedule K</i>	
Salaries	371,311	434,155
RRSP	35,346	36,472
General benefits	71,969	73,188
	<b>478,626</b>	543,815
Maintenance	2,840	2,623
Software	10,416	31,573
Hardware	3,764	4,030
Supplies	2,733	6,525
Network costs	34,228	34,209
Depreciation - computer equipment and systems	70,153	56,495
Consulting fees	130,884	105,065
IT Travel	-	9,133
IT steering committee	1,205	1,419
	<b>\$ 734,849</b>	\$ 794,887



**ACTRA NATIONAL**  
**SCHEDULE OF OPERATING EXPENSES**  
**YEAR ENDED FEBRUARY 29, 2012**

	<b>2012</b>	2011
Occupancy	<i>Schedule L</i>	
Rent	\$ 267,316	\$ 264,098
Telephone	19,576	20,820
Insurance	31,620	35,069
Supplies and miscellaneous	12,120	15,416
Postage	20,862	25,619
Courier	11,541	14,773
Furniture, fixtures and repairs	1,693	3,006
Equipment rental & leases	20,904	25,463
Depreciation - furniture and fixtures	4,932	11,657
	<b>\$ 390,564</b>	<b>\$ 415,921</b>