



Alliance of Canadian Cinema, Television and Radio Artists

ACTRA NATIONAL FINANCIAL STATEMENTS YEAR ENDED FEBRUARY 28, 2002

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AUDITORS' REPORT TO THE MEMBERS OF ACTRA

We have audited the balance sheet of ACTRA National as at February 28, 2002 and the statements of operations and surplus 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, 2002 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

Clarke Henning LLP
 CHARTERED ACCOUNTANTS
 Toronto, Ontario
 May 10, 2002

ACTRA NATIONAL BALANCE SHEET AS AT FEBRUARY 28, 2002

	2002	2001
ASSETS		
Current assets		
Cash	\$ 53,826	\$528,770
Accounts receivable	471,061	450,786
Lease inducement receivable	-	175,150
Investments (note 3)	200,000	900,000
Prepaid expenses and deposits	54,296	57,302
Loan receivable – Face to Face with Talent Inc.	3,369	5,000
Loan receivable – ACTRAWORKS Incorporated	-	25,000
Due from ACTRA Toronto Performers Branch	-	1,414
Due from Face to Face with Talent Inc.	-	6
Due from ACTRA Performers' Rights Society	412	10,803
	782,964	2,154,231
Capital assets (note 4)	550,264	200,731
	1,333,228	2,354,962
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	518,091	449,593
Accrued vacation pay	67,374	70,404
Due to Branches	171,175	986,000
Due to ACTRA Toronto Performers Branch	13	-
Due to Alliance of Canadian Cinema, Television and Radio Artists	-	2,291
Due to U.B.C.P.	-	260
	756,653	1,508,548
SURPLUS (DEFICIT)		
Extraordinary contingency fund (note 2)	2,383	161,218
Operations	574,192	685,196
	576,575	846,414
	\$ 1,333,228	\$ 2,354,962

Approved on behalf of the Board:

Jeanette Brubaker

, Director

John R. ...

, Director

STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS (DEFICIT)

YEAR ENDED FEBRUARY 28, 2002

	Extraordinary		Total	
	Contingency Fund	Operations	2002	2001
Income				
Per capita	\$ –	\$ 2,965,828	\$ 2,965,828	\$ 2,177,468
Information services	–	403,490	403,490	383,210
Equalization income	–	1,236,270	1,236,270	1,289,514
Interest income	4,345	14,661	19,006	21,608
Voluntary contributions	–	75,000	75,000	632,691
	4,345	4,695,249	4,699,594	4,504,491
Expenses				
Salaries and benefits (Schedule A)	–	1,396,403	1,396,403	973,138
Collective agreements (Schedule B)	163,180	190,931	354,111	143,534
National council (Schedule C)	–	120,641	120,641	117,747
Directors' expenses (Schedule D)	–	36,117	36,117	38,981
Office expenses (Schedule E)	–	285,804	285,804	231,043
Printing	–	252,910	252,910	181,768
Furniture, fixtures and equipment (Schedule F)	–	54,380	54,380	58,587
Computer services (Schedule G)	–	1,330,318	1,330,318	632,501
Communication and public relations (Schedule H)	–	364,689	364,689	144,834
Lobbying and legislative (Schedule I)	–	86,089	86,089	82,344
ACTRAWORKS contribution	–	70,000	70,000	70,000
External relations	–	87,266	87,266	82,952
Referenda	–	41,755	41,755	21,003
Staff training and recruitment	–	14,789	14,789	38,155
Staff conference	–	23,559	23,559	–
Legal fees	–	30,999	30,999	17,775
Audit fees	–	8,240	8,240	8,000
Professional fees	–	21,648	21,648	6,818
Bank charges and GST expense	–	110,055	110,055	75,024
Alliance debt reduction	–	75,000	75,000	75,000
Face to Face loan repayment	–	–	–	52,280
Face to Face loan write-off	–	1,631	1,631	–
ACTRA plan organizing	–	–	–	156,968
ACTRA plan special meeting	–	–	–	26,270
ACTRA plan	–	–	–	58,299
ACTRA plan other	–	–	–	58,252
	163,180	4,603,224	4,766,404	3,351,273
Excess (deficiency) of income over expenses before transfer payments	(158,835)	92,025	(66,810)	1,153,218
Transfer payments to branches	–	(203,028)	(203,028)	(222,120)
Deficiency of income over expenses (expenses over income)	(158,835)	(111,003)	(269,838)	931,098
Surplus (deficit) – at beginning of year	161,218	685,195	846,413	(84,685)
Surplus (deficit) – at end of year	\$ 2,383	\$ 574,192	\$ 576,575	\$ 846,413

STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 28, 2002

	2002	2001
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 4,660,313	\$ 4,431,600
Cash paid for expenses	(4,547,406)	(3,597,192)
Interest received	19,006	21,608
	131,913	856,016
Cash flows from financing activity		
Advances from (repayments to) related organizations	(778,921)	(174,714)
Cash flows from investing activities		
Purchase of furniture and equipment	(527,936)	(201,358)
Purchase of investments	-	(150,000)
Proceeds from investments	700,000	-
	172,064	(351,358)
Change in cash during the year	(474,944)	329,944
Cash – at beginning of year	528,770	198,826
Cash – at end of year	\$ 53,826	\$ 528,770

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2002

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 the live transmission and recorded media.

2. 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.

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

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 is financed through voluntary contributions of 5% of non-member work permit income from the branches/local unions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

3. INVESTMENTS

Investments are carried at cost and consist of the following:

	2002	2001
\$208,000 Government of Canada Treasury Bill due December 5, 2002, 2.0% annual yield	\$ 200,000	\$ -
\$400,000 Bank of Montreal Mortgage Corporation Term Investment, due June 21, 2001, 5.2% annual yield	-	400,000
\$500,000 Bank of Montreal Mortgage Corporation Term Investment, due December 6, 2001, 5.25% annual yield	-	500,000
	200,000	900,000
Accrued interest on term investment (recorded in accounts receivable)	\$ 4,000	\$ 20,273

4. CAPITAL ASSETS

Details of capital assets are as follows:

	Cost	Accumulated Depreciation	Net Book Value 2002	2001
Computer equipment	\$ 614,408	\$ 227,414	\$ 386,994	\$ 91,827
Computer software	69,916	5,883	64,033	-
Furniture and fixtures	141,045	41,808	99,237	108,904
	\$ 825,369	\$ 275,105	\$ 550,264	\$ 200,731

Computer system development costs that relate to new functions are capitalized and amortized over five years.

5. LEASE COMMITMENTS

The Association has commitments under operating leases for premises. The leases expire on July 31, 2010 and the minimum annual payments under the leases are as follows:

<i>Fiscal year</i>	2003	\$ 78,816
	2004	78,816
	2005	78,816
	2006	97,045
	2007	97,045
	2008-2010	393,630

In addition to the minimum rent, the Company is obligated to pay operating costs for its office space. The operating costs paid were approximately \$130,000 (2001 - \$56,000).

6. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, accounts payable and advances to/from related companies. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

SCHEDULES OF OPERATING EXPENSES

YEAR ENDED FEBRUARY 28, 2002

	2002	2001
<i>Schedule A</i>		
Salaries and benefits		
Total basic salaries	\$ 1,095,731	\$ 779,025
Staff benefits – general	175,670	108,385
– RRSP	105,574	71,347
Maternity benefits	18,482	–
Vacation pay	946	14,381
	1,396,403	973,138

	2002	2001
<i>Schedule B</i>		
Collective agreements		
CBC	5,876	24,305
Commercials – negotiation and administration	26,207	23,207
– legal	24,965	6,191
IPA – negotiation and administration	169,460	10,615
– legal	18,720	20,214
Other	1,435	11,329
Bargaining Conference	25,587	–
Organizing	81,861	47,673
	354,111	143,534

	2002	2001
<i>Schedule C</i>		
National Council		
National Council expenses	52,223	61,345
National Executive expenses	18,133	26,258
Committee expenses	12,237	8,979
Honoraria	29,229	19,500
Officer expenses	8,819	1,665
	120,641	117,747

	2002	2001
<i>Schedule D</i>		
Directors' expenses		
National Executive	8,921	10,466
Director of Finance and Administration	4,801	8,783
Eastern Regional Executive	6,180	5,470
Western Regional Executive	7,648	7,430
Western Regional office expenses	8,567	6,832
	36,117	38,981

	2002	2001
<i>Schedule E</i>		
Office expenses		
Rent, moving and design costs	209,313	152,314
Telecommunication	24,717	31,009
Insurance	8,179	3,939
Supplies and miscellaneous	12,911	16,576
Postage	9,728	11,156
Courier	20,956	16,049
	\$ 285,804	\$ 231,043

	2002	2001
<i>Schedule F</i>		
Furniture, fixtures and equipment		
Capital purchases under \$500	\$ 3,329	\$ 10,714
Amortization	27,364	19,753
Repairs	2,177	178
Maintenance	5,443	11,278
Leases, rental	16,067	16,664
	54,380	58,587

	2002	2001
<i>Schedule G</i>		
Computer services		
Maintenance	15,998	13,899
Software	24,319	15,795
Hardware	16,792	22,078
Amortization	50,317	44,660
Supplies	7,568	8,659
Network costs	105,410	123,486
Consulting fees	124,139	–
Training	513	16,009
Computer systems development		
Current membership maintenance	77,695	76,630
New membership system	289,405	133,272
Face to Face	377,129	–
Webtrust audit	10,000	–
Other consulting	44,043	9,658
Amortization of membership system	100,723	–
IPA template	–	67,424
Revenue receiving module	–	13,763
Commercial template	–	56,559
IT administration	86,267	30,609
	1,330,318	632,501

	2002	2001
<i>Schedule H</i>		
Communications and public relations		
Advisor fees	9,190	44,372
Promotion and publication expenses	34,579	24,884
InterACTRA News	74,237	38,457
Public relations	79,913	27,661
ACTRA website	166,770	9,460
	364,689	144,834

	2002	2001
<i>Schedule I</i>		
Lobbying and legislative		
Policy advisor fee	63,510	61,525
Expenses	22,579	20,819
	\$ 86,089	\$ 82,344