

ACTRA NATIONAL
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2003

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AUDITORS' REPORT

TO THE MEMBERS OF
ACTRA

We have audited the balance sheet of ACTRA National as at February 28, 2003 and the statements of operations and 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, 2003 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

Toronto, Ontario
May 9, 2003



ACTRA NATIONAL

BALANCE SHEET

AS AT FEBRUARY 28, 2003

	2003	2002
ASSETS		
Current assets		
Cash	\$ 433,892	\$ 53,826
Accounts receivable	370,439	471,061
Investments (note 3)	-	200,000
Prepaid expenses and deposits	56,675	54,296
Loan receivable - Face to Face with Talent Inc.	-	3,369
Due from ACTRA Toronto Performers Branch	32,648	-
Due from ACTRA Performers' Rights Society	174,778	412
	<u>1,068,432</u>	<u>782,964</u>
Furniture, equipment and software (note 4)	425,106	550,264
	<u>1,493,538</u>	<u>1,333,228</u>

LIABILITIES

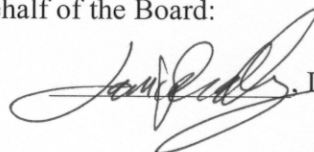
Current liabilities		
Accounts payable and accrued liabilities	481,183	513,450
Accrued vacation pay	30,208	33,409
Due to Branches	175,527	209,781
Due to ACTRA Toronto Performers Branch	-	13
Due to U.B.C.P.	700	-
	<u>687,618</u>	<u>756,653</u>

NET ASSETS

Extraordinary contingency fund (note 2)	2,383	-
Unappropriated surplus	378,431	26,311
Invested in furniture, equipment and software	425,106	550,264
	<u>805,920</u>	<u>576,575</u>
	<u>\$ 1,493,538</u>	<u>\$ 1,333,228</u>

Approved on behalf of the Board:


_____, Director


_____, Director

ACTRA NATIONAL

STATEMENT OF OPERATIONS AND NET ASSETS

YEAR ENDED FEBRUARY 28, 2003

	<i>Extraordinary</i>		<i>Total</i>	
	<i>Contingency Fund</i>	<i>Operations</i>	<i>2003</i>	<i>2002</i>
Income				
Per capita	\$ -	\$ 3,017,350	\$ 3,017,350	\$ 2,965,828
Information services	-	406,505	406,505	403,490
Equalization income	-	1,499,010	1,499,010	1,236,270
Interest income	-	6,018	6,018	19,006
Vol	-	-	-	75,000
	-	4,928,883	4,928,883	4,699,594
Expenses				
Salaries and benefits (<i>Schedule A</i>)	-	1,581,979	1,581,979	1,396,403
Collective agreements (<i>Schedule B</i>)	-	134,131	134,131	354,111
National council (<i>Schedule C</i>)	-	150,470	150,470	120,641
Directors' expenses (<i>Schedule D</i>)	-	45,377	45,377	36,117
Office expenses (<i>Schedule E</i>)	-	295,338	295,338	285,804
Printing	-	221,484	221,484	252,910
Furniture, fixtures and equipment (<i>Schedule F</i>)	-	57,560	57,560	54,380
Computer services (<i>Schedule G</i>)	-	1,218,366	1,218,366	1,330,318
Communication and public relations (<i>Schedule H</i>)	-	180,828	180,828	364,690
Lobbying and legislative (<i>Schedule I</i>)	-	84,910	84,910	86,089
ACTRAWORKS contribution	-	-	-	70,000
External relations	-	78,387	78,387	87,266
Referenda	-	22,775	22,775	41,755
Staff training and recruitment	-	2,374	2,374	14,789
Staff conference	-	25,827	25,827	23,559
Legal fees	-	11,253	11,253	30,999
Audit fees	-	8,520	8,520	8,240
Professional fees	-	4,095	4,095	21,648
Bank charges and GST expense	-	85,952	85,952	110,055
Alliance debt reduction	-	75,000	75,000	75,000
F	-	-	-	1,631
	-	4,284,626	4,284,626	4,766,405
Excess of income over expenses before transfer payments	-	644,257	644,257	(66,811)
Transfer paym	-	(414,912)	(414,912)	(203,028)
Excess of income over expenses (expenses over income)	-	229,345	229,345	(269,839)
Net	2,383	574,192	576,575	846,414
Operating surplus - at end of year	2,383	803,537	805,920	576,575
Appropri	-	(425,106)	(425,106)	(550,264)
Unappropriated surplus - at end of year	2,383	378,431	380,814	26,311
Invest	-	425,106	425,106	550,264
Net Assets - at end of year	\$ 2,383	\$ 803,537	\$ 805,920	\$ 576,575

ACTRA NATIONAL
STATEMENT OF CASH FLOWS
YEAR ENDED FEBRUARY 28, 2003

	2003	2002
Cash flows from operating activities		
Cash receipts from members, non-members and producers	\$ 5,023,487	\$ 4,660,313
Cash paid for expenses	(4,508,565)	(4,547,406)
Interest	6,018	19,006
	520,940	131,913
Cash flows from financing activity	(237,212)	(778,921)
Cash flows from investing activities		
Purchase of furniture, equipment and software	(103,662)	(527,936)
	200,000	700,000
	96,338	172,064
Change in cash during the year	380,066	(474,944)
Cash - at beginning of year	53,826	528,770
Cash - at end of year	\$ 433,892	\$ 53,826

ACTRA NATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2003

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 have been prepared in accordance with Canadian generally accepted accounting principles for non-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.

Furniture, Equipment and Software

Furniture, equipment and software 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 Canadian 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.

ACTRA NATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2003

3. INVESTMENTS

Investments are carried at cost and consist of the following:

	<i>2003</i>	<i>2002</i>
\$208,000 Government of Canada Treasury Bill, due December 5, 2002, 2.0% annual yield	\$ -	\$ 200,000
	-	200,000
Accrued interest on term investment (recorded in accounts receivable)	\$ -	\$ 4,000

4. 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>2003</i>	<i>2002</i>
Computer equipment	\$ 668,799	\$ 408,559	\$ 260,240	\$ 386,994
Computer software	109,745	24,113	85,632	64,033
Furni	150,486	71,252	79,234	99,237
	\$ 929,030	\$ 503,924	\$ 425,106	\$ 550,264

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

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:

Fiscal year	2004	\$ 78,816
	2005	78,816
	2006	97,045
	2007	97,045
	2008	97,045
	2009-2010	296,585

In addition to the minimum rent, the Company is obligated to pay operating costs for its office space. The operating costs paid were approximately \$136,000 (2002 - \$130,000).

ACTRA NATIONAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2003

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.

7. CONTINGENCY

Canada Customs and Revenue Agency (CCRA), has ruled that certain revenue streams are not taxable. Consequently, previously claimed related input tax credits may not be deductible. This ruling is currently being appealed. In the event that the appeal is unsuccessful, input tax credits along with interest would become reimbursable to CCRA. Neither the aggregate amount of input tax credits to be reimbursed and interest, nor the outcome of the appeal are determinable at this time.

ACTRA NATIONAL
SCHEDULES OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2003

	2003	2002
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Salaries and benefits	<i>Schedule A</i>	
Total basic salaries	\$ 1,259,027	\$ 1,095,731
Staff benefits - general	198,637	175,670
- RRSP	113,765	105,574
Maternity benefits	13,751	18,482
Vacation	(3,201)	946
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	1,581,979	1,396,403
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Collective agreements	<i>Schedule B</i>	
CBC	1,761	5,876
Commercials - negotiation and administration	18,130	26,207
- legal	9,600	24,965
IPA - negotiation and administration	18,715	169,460
- legal	13,244	18,720
Other	13,146	1,435
Bargaining conference	-	25,587
Organizing		81,861
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	134,131	354,111
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National Council	<i>Schedule C</i>	
National Council expenses	66,659	52,223
National Executive expenses	34,043	18,133
Committee expenses	11,108	12,237
Honoraria	29,120	29,229
Officer	9,540	8,819
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	150,470	120,641
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Directors' expenses	<i>Schedule D</i>	
National Executive	8,801	8,921
National Director of Finance and Administration	3,637	4,801
Eastern Regional Executive	9,382	6,180
Western Regional Executive	14,952	7,648
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	8,605	8,567
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	45,377	36,117
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ACTRA NATIONAL
SCHEDULES OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2003

	2003	2002
Office expenses	<i>Schedule E</i>	
Rent	215,521	209,313
Telecommunication	19,591	24,717
Insurance	13,305	8,179
Supplies and miscellaneous	9,092	12,911
Postage	19,306	9,728
Courier		20,956
	\$ 295,338	\$ 285,804
Furniture, fixtures and equipment	<i>Schedule F</i>	
Capital purchases under \$500	\$ 2,334	\$ 3,329
Amortization	29,445	27,364
Repairs	2,057	2,177
Maintenance	7,296	5,443
Leases,	16,428	16,067
	57,560	54,380
Computer services	<i>Schedule G</i>	
Maintenance	7,546	15,998
Software	36,669	24,319
Hardware	5,892	16,792
Amortization	39,857	50,317
Supplies	5,268	7,568
Network costs	83,103	105,410
Consulting fees	45,556	124,139
Training	19,338	513
Computer Systems Development		
Current membership maintenance	41,575	77,695
New membership system	617,504	289,405
Face to Face	101,848	377,129
Webtrust audit	20,000	10,000
Other consulting	-	44,043
Amortization of membership system	159,518	100,723
IT	34,692	86,267
	1,218,366	1,330,318

ACTRA NATIONAL
SCHEDULES OF OPERATING EXPENSES
YEAR ENDED FEBRUARY 28, 2003

	2003	2002
Communications and public relations	<i>Schedule H</i>	
Advisor fees	82	9,190
Promotion and publication expenses	8,067	27,833
InterACTRA News	86,309	74,237
Advertising and sponsorships	42,544	79,913
ACTRA website	20,224	166,770
Marketing Face to Face online	10,545	-
Administrative services	3,841	4,316
Special events	5,000	2,431
	4,216	-
	180,828	364,690
Lobbying and legislative	<i>Schedule I</i>	
Policy advisor fee	61,250	63,510
Expenses		22,579
	\$ 84,910	\$ 86,089