

Aron Theatre Co-operative Inc.

President's Report

Stay in town, see the world

The Aron will hopefully be entering the digital age this spring, with the installation of a digital projector. This will open up a whole new world to our community through electronic streaming of concerts, opera, live theatre, documentaries and sporting events. Of course, we will continue to show screen classics, the latest Hollywood blockbusters and amazing movies from film festivals around the world.

Accomplishments

It's been just over eight months since the co-operative purchased the theatre from Paul Imperial, and it's been a busy time. In addition to keeping the doors open for the enjoyment of the community, we have:

- Maintained part-time employment for five people
- Created part-time employment for four additional people
- Held our first Annual General Meeting
- Received over \$100,000 in grants and donations
- Relit the marquee
- Held our first TIFF series
- Repaired the roof and the front entrance
- Refinished the front doors
- Organized the "Take Your Seat" campaign to replace our old seats
- Designed a new website
- Maintained a very active board and volunteers
- Created a new marketing strategy and financial plan for the coming year
- Worked with various artists and community members to help stage their events

Challenges

The Aron is becoming the little theatre that could. And, we need your help. Of course it's important to renew your membership and bring your friends and family into the membership fold; however, **we need members to come out for an evening or afternoon of entertainment; regularly.**

I draw your attention to the year-to-date financial statements. On the positive side, we have increased our sales revenue by 56% over last year; however, we are falling behind our budgeted ticket sales and that means we are losing money on our bottom line. Our cash flow is okay, but if we don't get more ticket sales from members, we will not be able to build reserves to pay bond interest and principal. We will also have a harder time sprucing up the theatre and hiring and maintaining the staff we will need to bring the Aron fully into the digital age.

So, when you're sitting at home wondering what you and your friends are going to do for fun, think of the Aron and come out for the best entertainment value in town. And yes, we will have more comfortable seats installed this year, and we do have plans to modernize the washrooms.

Membership

I want to draw your attention to the main purpose of this special membership meeting. We would like to double or triple our membership from the current five hundred plus members to one thousand and beyond. To accomplish this, your elected board of directors has been contemplating changes to the annual membership fee and the ticket discount.

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We have also been crunching the numbers. In fact, the board struck a task force to investigate the matter fully and make a recommendation to the board and membership.

As a co-operative, such important decisions can only be made by the members. And, two thirds of us have to vote in favour to make such changes. We looked at various scenarios and we came back to a choice between two scenarios:

1. **Keep it the same:** \$20 annual membership for individuals and \$40 for families, with a \$1 discount on every ticket.
2. **Drop the annual membership fee:** \$10 for individuals and \$25 for families; increase the ticket discount to \$1.50.

Let's go over the numbers together. For the coming year, with the new digital projector, and with our part-time contractors helping you and your friends organize your own events, in addition to the regular Hollywood movies, we think we can increase revenue by 46% to 54% in the **Best Case Scenario**. This means having an average of 38 to 42 patrons per movie, or one-quarter of the seats filled on average. We need to increase revenue so that we can hire a fulltime General Manager, keep the concession staff and maintain the theatre at a sustainable level of operations. This means annual revenue of \$200,000, plus annual membership fees in the range of ten to fifteen thousand.

If we keep the membership fees and movie ticket prices the same as they are now (tickets are \$8.50 for adults and \$6.50 for seniors and children, with \$1 member discount), we are forecasting a twenty percent increase in movie ticket sales. If we drop the membership fees and increase the discount so the movie tickets cost \$7 and \$5 for members, then we think we can increase movie ticket sales by 30%.

In the **Keep the Doors Open** scenario, sales are more or less flat if we keep the current annual membership fee. If we decrease the membership fee, but keep the \$1 membership ticket discount, the increase is 11.1%. And, we are not able to hire a General Manager, rather we have a part-time volunteer co-ordinator and staffing costs that are less than half of the Best Case.

What do you think? I'd like to open the floor for discussion at this point. If you have any questions or comments, please raise your hand and we will begin.

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