



**Be part of the fun.**

**Fourth Annual General Meeting  
President's Report (Russ Christianson)**

**Introduction**

Welcome to our fourth Annual General Meeting. We are particularly proud to be celebrating our accessibility improvements with our funders: Campbellford/Seymour Community Foundation, Municipality of Trent Hills, and Trillium Foundation.

**Vision**

Our vision is to transform the Aron Theatre into a sustainable cultural hub, open to everyone in our community.

**Mission**

Aron Theatre Co-operative is a not-for-profit business owned and controlled by its members. Co-op members participate actively in organizing and successfully running artistic and cultural events. The Co-operative operates with a triple bottom line, ensuring financial viability, community responsibility, and environmental stewardship.

**Purpose**

Aron Theatre Co-operative brings people together to enjoy movies, music and other cultural events.

**Five Years of Accomplishment**

Five years ago, the Aron Theatre was on the verge of closing and the idea of purchasing it through a community-owned co-operative was born. The Campbellford/Seymour Community Development Corporation was used as the vehicle to complete a feasibility study and we held our first public meeting on November 18, 2009.

On that evening, I presented the financial model for the co-operative takeover and Ken Tizzard and Ken Layton performed original music, including Ken Layton's song written for the occasion: "Sharin' the

Aron." By the end of the meeting, we had sold our first 130 co-op memberships.

Five years later, we have increased our membership by ten times (to 1,290), and not only are the doors still open, we have:

1. Relit the marquee.
2. Repaired the roof.
3. Updated to digital technology.
4. Repainted the lobby.
5. Installed new seats.
6. Improved the stage for live music.
7. Replaced the air conditioning.
8. Built an accessible washroom.
9. Installed barrier-free front doors.

And, these are only the accomplishments that you can see. We have dozens of dedicated volunteers who have spent thousands of hours to improve our operations, our finances, our marketing and our governance as a co-operative business.

Here are some of our financial successes over the last five years:

- More than doubled annual sales from \$68,000 to \$162,000.
- Sold \$166,440 in Aron bonds.
- Doubled our asset value from \$175,000 to \$355,000.
- Increased paid employment by seven times.
- Benefited from an in-kind value of over \$750,000 from volunteers.
- Received \$211,176 in grant revenue.

The Aron Theatre Co-operative is a concrete example of the International Co-operative Alliance theme: "People together are stronger."

As we move into the coming year, we will face the following challenges together:

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1. Encourage membership renewal and growth.
2. Continue to grow our audiences.
3. Replace our heating system.
4. Repair our flat roof.
5. Repay bond interest and principal.

## **Our Staff**

I want to thank Theresa Aldcroft for her hard work as our Operations Manager. Theresa has really grown into this position over the past year and she is a rock for our theatre. Thanks as well to our young concession staffers for making every event at the Aron a treat. And, thank you to Ann Oliphant, our bookkeeper who makes sure our numbers add up.

## **Financial Results**

We have owned and operated the theatre for three years. Our financial year-end is December 31 and I draw your attention to the financial statements for the years ending December 31, 2013 and December 31, 2012.

Please refer to the Income Statement for 2013. You can see that our total operating revenue was \$161,662, an 11.3% increase over 2012. The cost of goods sold decreased by \$3,042, resulting in a significantly higher gross margin. When operating expenses and payroll are deducted from the gross margin, the loss from operations was \$8,930, less than half of the operating loss in 2012. This points to our continuing challenge of selling more tickets for our regular movies and special events.

We also received donations and grants in 2013. The Take Your Seat sales were \$3,216 in 2013 and we received support from the Municipality of Trent Hills (\$5,486), the Campbellford/Seymour Community Foundation (\$8,983) and the Trillium Foundation (\$23,200). When we deduct the other expenses, the bottom line is a net surplus of \$16,222 for the year ending December 31, 2013.

The Balance Sheet for the year ending December 31, 2013, shows a healthy bank balance (\$36,030) coming into the new year in preparation for the installation of the new accessible washroom and barrier-free front entrance. Our current liabilities were also higher in 2013 compared to 2012, and the

current ratio was a very healthy 4.5 compared to 3.3 year over year. We continue to meet our mortgage obligations, and there were no additional bond sales in 2013. The interest on Aron bonds is accumulating and was a total of \$13,343 by the end of 2013.

I would like to thank Mark Higgins for his continuing support on our Audit Committee. Mark volunteers his time to review our year end statements and file our annual income tax returns.

I want to take a moment to let you know that while our financial statements continue to show progress, the operating reality for the Aron is that we need to continue to control our expenses, raise grant revenue for capital improvements and we need our members to do three things:

1. Renew your annual membership and encourage your family, friends and neighbours to become members.
2. Attend our movies, concerts and special events. In the end, the theatre will only be successful if we sell enough tickets. Our benchmark for average movie ticket sales is fifty per night, and we still have a way to go to meet that objective.
3. Volunteer at the Aron to help us maintain the building, organize special events, or serve on the board or committees.

I welcome your questions on the financial statements.

## **My Tenure as President**

This will be my last Annual General Meeting as the President of the Co-operative. It has been an incredible experience for me to work together with so many talented and dedicated volunteers in this community to make the Aron Theatre Co-operative a success. I particularly want to thank Mark White, our Vice President. Mark has worked full-time as a volunteer, and no job has been too small or too big for him.

Our co-operative theatre has been recognized as a model for community-building internationally, nationally, provincially and, most important, locally. I know that more people in our community will step-up and get involved in organizing events and enjoying our little gem of a theatre. We are going to continue to grow and have fun!

May 4, 2014