



**Be part of the fun.**

## **Second Annual General Meeting**

### **President's Report (Russ Christianson)**

#### **Introduction**

Welcome to our second Annual General Meeting. Please take a moment to review our vision, mission, and purpose.

#### **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.

#### **Achievements**

The co-operative has owned the theatre for sixteen months. I'm very happy to say that we continue to fulfill our most important objective: *Keeping the Aron open for the enjoyment of our community.*

An Annual General Meeting provides a time for reflection, and when we review the past year, there is much to be proud of:

1. Refurbished and relit the marquee.
2. Organized and held our first successful **tiff** movie series.
3. Replaced the 1970s vintage 35 mm projector with a state-of-the-art digital projector and Dolby sound system, thanks to the generous support of Ontario Trillium Fund, Campbellford Seymour Community Foundation and the Municipality of Trent Hills.
4. Offered our patrons a number of on-release first-run movies.
5. Held our first anniversary celebration with a community talent showcase of over twenty local musical acts.
6. Together with John Papanicolaou of Master Sub, we co-hosted the world class musician, Yiannis Kapoulas.
7. Received very favourable media coverage, locally, provincially and nationally, in this United Nations' International Year of Co-operatives.
8. Continued to improve our facilities, including roof repairs, façade and front lobby redecorating (thanks to Angie Nestoruk for organizing volunteers), air sealing, electrical and HVAC.
9. Continued our work on replacing our old seats with seats received from Ontario Place via the Regent Theatre in Picton.
10. Continued to improve the day-to-day operation of the theatre.

## **Board, Volunteers, and Staff**

All of these achievements would not have happened without the dedication, commitment and hard work of over fifty volunteers, including our Board of Directors, committee members, and professionals and trades people who have very generously provided their time.

I would like to take this opportunity to thank our board of directors. We meet monthly to review operations, plan for future events, raise capital, and generally do our best to keep the theatre growing: Mark White (Secretary), Debbie Nightingale (Vice President), Jim Orr, Randall Head (Interim), Keith Davis (Interim), Dagmar Christianson, Howard Herscovici, and Rosemary Milne-Woadden.

There are so many volunteers to recognize that we have decided to list their names on the screen behind me. Please join me in a round of applause for all of our valued volunteers!

I would also like to thank David Lyon, our General Manager, for all of his work to help us improve the operations of the co-op.

And, a special note of thanks to Pam Moran, our bookkeeper who keeps our finances on track, and Mark Higgins who volunteered his time and skills on our Audit Committee to file our income tax returns.

## **Financial Results**

We have owned and operated the theatre for sixteen months. Please refer to the financial statements for the years ending December 31, 2010 and December 31, 2011. These are our official annual financial statements and they are the ones Mark Higgins prepared for Canada Revenue Agency.

Please refer to the Income Statement for 2010. You can see that our revenue was

consisted of memberships and fundraisers (\$8,685) and a grant from the Canadian Co-operative Association (\$16,000) to pay for our business plan and membership recruiting. Our cost of goods sold includes the fees for a Yuk Yuk's fundraiser. The expenses show the main use of the grant funding, some legal work related to the planned purchase of the theatre and some advertising and promotion. The bottom line in 2010 was a surplus of \$5,536.

On the Balance Sheet for the year ending December 31, 2010, you can see that we were beginning to build our bank balance in preparation for the purchase of the theatre, and we had a small cost for incorporating the co-operative. The cash in the bank is made up of the bonds we sold and the net surplus from the income statement.

Now, please refer to the financial statements for the year ending December 31, 2011. The income statement now includes operational revenue from the theatre (from the purchase date of May 26, 2011). Our total revenue for the year was just over \$100,000. About one-third of that was from grants that supported capital improvements and operating activities. The cost of goods sold include all of the day-to-day costs related to showing movies, running live events and providing our concession treats. The general and administrative expenses were on budget, and we had a surplus of \$18,783. As a not-for-profit co-operative, we retain this surplus to further our cultural objectives and we do not pay income taxes.

The Balance Sheet for the year ending December 31, 2011 shows a healthy cash balance, reasonable concession inventory, and of course the purchase of the theatre and the refurbished marquee. The liabilities include trade payables, an HST refund, the first and second mortgages held by Paul Imperial, and the bonds that we sold to individuals and the Campbellford Seymour Community Foundation.

Our member “equity” is made of retained earnings from 2010 and the surplus from 2011.

Over the past eight months (from January 1 to August 31, 2012), our revenues have exceeded \$200,000. About half of this is from operations and membership (\$96,200) and half is from grant revenue (including \$73,800 for the digital projector, \$6,100 from Trent Hills for the marquee, and \$26,700 from the Canadian Co-operative Association to build our organizational capacity). Our Finance Committee and Board closely follow our monthly operating budget and actual results and we are on track to meeting our budget targets.

I welcome your questions on the financial statements.

## **Membership**

It has taken thousands of volunteer hours and thousands of membership dollars to successfully purchase and operate our community-owned theatre.

As of September 11, 2012, we have 435 active and renewed members (including 87 individual memberships and 87 family memberships\*) and 110 individual memberships and 28 family memberships that expired in August 2012. If all of our expired memberships are renewed, we will have a total of 657 members. Please make sure you renew your memberships and please ask your friends and neighbours to join our theatre co-operative. We would like to reach one thousand active members by December 31, 2012.

Trent Hills has a population of 12,500, so one thousand members will represent 8% of our population. In order to keep the Aron open in the future, and for our theatre to

reach its potential as a cultural hub in our community, we have to do more than just buy a membership each year. We need our members to come regularly to movies and live events and we need to continue to grow our volunteer roster. So, please come with your family and friends regularly to be entertained, and find ways to contribute a few hours a month to making the Aron your theatre.

## **The Future**

By working together, we have successfully kept our theatre alive, while thousands of one-screen theatres in communities across Canada and the United States go bankrupt. That’s a great accomplishment, and, we have a lot more work to do to make the Aron into a sustainable cultural hub.

In the coming year, we have plans to:

1. Paint the theatre floor and replace the old seats.
2. Install new sound insulation on the theatre walls.
3. Renovate the existing washrooms and build a wheelchair accessible washroom.
4. Replace the old wooden front doors with accessible (automatic) steel doors.
5. Complete our façade improvements.
6. Perform a feasibility study to investigate the economics of installing a 50 kilowatt solar photovoltaic electricity generating system on our southern-facing flat roof.
7. Continue to work with members to organize great events at the theatre!

Please take a moment to think about how you can be part of the fun at the Aron by volunteering some of your time to meet these objectives in the coming year.

\* We include 4 people in family memberships.