

THE CIVIC THEATRE

Nelson Civic Theatre Society
Annual General Meeting
October 30, 2016

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Agenda

1. Call to order and welcome: President Marilyn Mint
2. Acceptance of Minutes
3. Programming Report: Jason Asbell
4. Executive Director's Report: Eleanor Stacey
5. Presentation of the 2016 Financial Statements: Treasurer John Brand
6. Acceptance of the 2016 Financial Statements
7. Appointment of person to prepare financial statements
8. Election of Directors
9. Capital Campaign Update: Director Heather Kennedy

Adjournment

ANNUAL GENERAL MEETING

November 28, 2015

Minutes

1. President Marilyn Mint called the Meeting was called to order at 2:05. There were 25 members present.
2. Marilyn Mint welcomed everyone and thanked the volunteers and staff for their work during the past year.
3. Moved by Bonnie Baker, seconded by Kim Charlesworth to accept the minutes of the 2014 AGM.
4. Eleanor Stacey, Executive Director, made a presentation on the accomplishments of the society in the past year, noting the significant number of community events held at The Civic.
5. Treasurer John Brand presented the 2015 Financial Statements, thanking Linda Tynan for all her work in preparing the statements. A question and answer session followed.
6. Moved by Brad Ferguson, seconded by Elaine Moore to accept the 2015 Financial Statements. Motion passed.
7. Moved by John Brand, seconded by Lucy Methuen to appoint the NCTS Treasurer to prepare financial statements for the upcoming fiscal year. Motion passed.
8. The slate of nominees recommended by the Board has been elected by acclamation. Therefore, no vote was held at the AGM.

Elected to two-year term:

- Don Johnston
- Paula Kiss
- Graeme Leadbeater
- Judy O'Leary

Continuing Board members:

- John Brand
- Heather Kennedy
- Marilyn Mint
- Darryl Santano
- Jan Wright

9. Motion to approve changes to by-laws: the Board proposed to make changes to Article 9, Sections 1.1 and 1.2 of the By-laws to include the Executive Director in those authorized to have signing authority. The additions to the existing sections are in italics in the motions.

- **Moved by Brad Ferguson, seconded by Lucy Methuen THAT Article 9, Section 1.1 of the by-laws be amended to read:**

1.1 The Board shall authorize the President, the Vice-President, the Treasurer, the Secretary *and the Executive Director* to have signing authority at a bank or credit union in British Columbia. Motion passed.

- **Moved by Bonnie Baker, seconded by Charles Ward. Motion passed THAT Article 9, section 1.2 of the by-laws be amended to read:**

1.2 All cheques, notes and other bills of exchange shall be drawn in the name of the Society and signed on behalf of the Society by any two (2) of the Officers of the Society *or an Officer and the Executive Director*. Motion passed.

10. Heather Kennedy, Board Director, made a presentation on the life of a Capital Campaign. A question and answer session followed.
11. Jason Asbell, Theatre Manager explained the programming potential and value of three screens versus the current single screen.
12. The AGM was adjourned at 3:20.

PRESIDENT'S REPORT

As a Board, we measure our successes against our mission. This year, I am happy to report we have seen gains in our capacity to deliver a breadth of programming and services within the inherent limitations of a single screen theatre and the film industry's at times restrictive terms of distribution.

In 2016, Board and staff engaged in a strategic planning process. We focussed on developing efficient and sustainable operations, on excellence in programming, on improving our facility and on creating a culture of high standards – all goals that we feel are attainable and necessary as we transition from a start-up to a developing organization striving to continuously improve our delivery of services and level of professionalism. We put into place policies and process to ensure those goals, redefined some staffing positions and placed a focus on growing volunteer engagement.

We began the year with the welcome news that we had been granted charitable status, an important milestone in our capital campaign. We then began the quiet phase of our More than Movies campaign. During this phase, we are reaching outside the local community in our quest for support. We have had setbacks this year in our campaign goals but we remain firm in our belief that long term sustainability of the NCTS will be achieved only with the expansion of our operations into a second and third theatre; our path to sustainability, however, may be longer than we initially hoped and planned for.

We have now installed fibre optic cable in the theatre, a step in our mission to create an information and communications technology hub that provides our rural community the means of engaging with and participating in a global community.

The installation has already borne positive results. An important aspect of our capital campaign's case for support is the convergence of community interests with campaign and organizational goals. One such intersection is with our local screen based industry. That relationship is developing as we discover there is much that we can offer in our venue through technological support. We will continue to watch for additional natural intersections as the campaign develops.

In closing, I thank our dedicated enthusiastic staff and our truly engaged volunteers for making our community theatre work.

Marilyn Mint
President,
NCTS Board of Directors

EXECUTIVE DIRECTOR'S REPORT

2015-16 was an ambitious year centered around capacity building. Our vision was to program every night of the week (with rare exception), continue to grow community programming and relationships, and establish our capital campaign plan. To achieve these goals, we also looked closely at our staff and volunteer roles, and sought out opportunities to improve human resource outcomes. Our capacity to achieve programmatic goals has increased because we have grown our staff a little more, put resources into improving communication with staff and volunteers, and looked closely at roles and competencies to ensure that people are matched with the things they do well.

We also formulated language to introduce our *More than Movies* capital campaign goals, and began testing our case by meeting with potential prospects and introducers. It was out of this process that the current dialogue surrounding developing a local Screen-Based Industry (SBI) sector was spurred, adding a promising layer to our community engagement strategy and our capital campaign case for support.

At year end, we can look back and see many accomplishments. On screen, we offered more than 460 screenings of 131 films, including mainstream and independent selections, diverse Thursday night fare, insightful documentaries, locally-made films, our *Art on Screen* opera, ballet, concert and visual art series, and great financial success in our carefully-weighed decision to screen a 4-week engagement of *Star Wars*. The result was our largest annual box office gross in our history, with more than 40,000 people visiting us over the course of the year.

In community engagement, we offered space for a wide variety of local rental clients for film, music, fundraising and other events, and supported more than 30 area nonprofits through donating tickets to their respective fundraising and outreach efforts. We offered the second installations of our signature *Zombie Walk* and *Home for the Holidays Celebration*. We also sought out opportunities to host community dialogue and learning events, including several nonprofit webinars and the regional live stream of the BC Alliance for Arts and Culture's *re:generation/BC Cultural Roundtable 2016*, testing our capacity as a home for *More than Movies*, and building our role as a centre for dialogue and learning. Finally, working in partnership with Nelson Kootenay Lake Tourism, NCTS was a leader in building momentum behind Culture Days in our region in 2016, resulting in more than 40 events spanning from Kaslo and Castlegar. We are grateful to all our partners and collaborators for their support of our efforts to deepen our connection with the community throughout the year.

NCTS' successes in 2015-16 are because of a team of staff, board and volunteers who continue to embrace our vision, grow with us as we discover new things about our role in our community, and help us when capacity is limited. To this unflappable team, I offer my deepest thanks - it is because of your dedication and your willingness to investigate and try new things that we are continuing to build our young organization to respond to local interests and become a cultural and economic pillar of the community. I look forward to working with all of you in the coming year.

Eleanor Stacey

Executive Director

Financial Statements of

NELSON CIVIC THEATRE SOCIETY

July 31, 2016

unaudited

NELSON CIVIC THEATRE SOCIETY

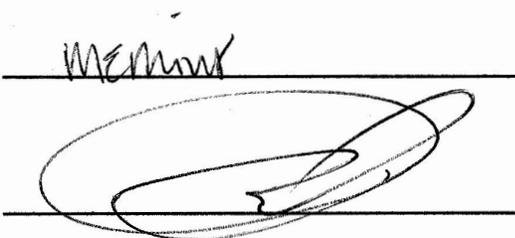
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NELSON CIVIC THEATRE SOCIETY
STATEMENT OF FINANCIAL POSITION
As at July 31, 2016
(unaudited)

ASSETS	2016	2015
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 160,214	\$ 165,128
Accounts Receivable	4,032	2,388
Inventory	7,351	4,596
Due from City of Nelson	-	6,454
Prepaid Expense	9,943	10,613
	181,540	189,179
CAPITAL ASSETS (note 3)	349,663	368,320
	531,203	557,499
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 27,903	\$ 15,036
Government remittances payable	1,434	1,023
Accruals	-	652
Deferred contributions (note 4)	10,124	2,617
	39,461	19,328
DEFERRED CAPITAL CONTRIBUTIONS (note 5)	247,453	269,374
	286,915	288,702
 NET ASSETS		
Invested in Capital Assets (note 6)	102,209	98,945
Internally Restricted Reserve Funds (note 7)	100,000	120,000
Unrestricted Net Assets	42,079	49,802
	244,288	268,747
	\$ 531,203	\$ 557,449

Approved by the Directors:



NELSON CIVIC THEATRE SOCIETY
STATEMENT OF OPERATIONS
For the Year Ended July 31, 2016
(unaudited)

	2016 Actual	2015 Actual
REVENUE		
Box Office Gross	\$ 350,855	\$ 289,127
Food and Drink	152,090	128,323
Rentals	14,597	17,771
Membership dues	18,330	16,644
Interest	1,034	1,266
Fundraising, contributions & donations (unrestricted)	17,454	27,187
Miscellaneous revenue (eg. advertising)	2,603	2,138
Transfer from Capital Reserve	20,000	
Amortization of deferred capital contributions (note 5)	21,921	32,882
	598,883	515,339
EXPENSES		
Advertising	11,352	10,521
Amortization	29,034	44,358
Bank Charges and Interest	5,509	4,302
Box Office & Theatre Cost of Sales	208,353	158,258
Building Maintenance and Repair	22,238	15,354
Contributions	500	
Food and Drink Supplies	42,271	33,814
Fundraising Expenses	-	3,459
Insurance	2,750	1,945
Licenses and Dues	8,063	1,227
Membership Expenses	-	1,905
Office Expenses	7,110	7,990
Program and Services	6,451	
Professional and Bookkeeping	17,984	18,505
Staff and Volunteer Recognition/Training Expenses	2,090	883
Telephone and Internet	2,404	1,863
Tax and Utilities	19,125	14,232
Wages - Administrative/Theatre Operations	218,108	177,003
	603,343	495,620
EXCESS OF REVENUE OVER EXPENSES (LOSS)	\$ (4,460)	\$ 19,719

NELSON CIVIC THEATRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended July 31, 2016
(unaudited)

	Invested in Capital Assets (note 6)	Reserve Fund (Internally Restricted)	Unrestricted	Total 2016	Total 2015
NET ASSETS,					
BEGINNING OF YEAR	\$ 98,945	\$ 120,000	\$ 49,803	\$ 268,747	\$ 249,028
Excess of revenue over expenses	(7,113)		2,653	\$ (4,460)	19,719
Purchase of capital assets	10,377	-	(10,377)	\$ -	-
Internal Transfer-Capital Campaign		(20,000)	-	\$ (20,000)	-
NET ASSETS,					
END OF YEAR	\$ 102,209	\$ 100,000	\$ 42,079	\$ 244,287	\$ 268,747

NELSON CIVIC THEATRE SOCIETY
STATEMENT OF CASH FLOWS
For the Year Ended July 31, 2016
(unaudited)

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenses	(4,460)	19,719
Items not affecting cash flow		
-amortizations	29,034	44,358
-amortization of deferred capital contributions	(21,921)	(32,882)
	2,654	31,195
Changes in non-cash working capital (note 9)	15,352	(28,052)
Cash Provided by Operating Activities	18,006	3,143
FINANCING ACTIVITIES		
Contribution from reserve	(20,000)	-
Deferred Contributions	7,507	(73,197)
Deferred Contributions transferred to Deferred capital contributic	-	74,869
Capital grant contributions	-	-
Cash Provided by Financing Activities	(12,493)	1,672
INVESTING ACTIVITIES		
Purchase of capital assets	(10,377)	(87,693)
INCREASE (DECREASE) IN CASH	(4,864)	(82,878)
CASH, BEGINNING OF YEAR	165,078	247,956
CASH, END OF YEAR	160,213	165,078

NELSON CIVIC THEATRE SOCIETY NOTES TO THE FINANCIAL STATEMENT

As At July 31, 2016
(unaudited)

1. NELSON CIVIC THEATRE SOCIETY

The Society was incorporated under the Society Act of British Columbia on June 25, 2012. Its purpose is to operate and maintain The Civic Theatre as a multi-use facility for film screenings primarily, and for other artistic, educational and community-building programs and events; to advance the public's appreciation of the arts by operating and maintaining a theatre for the presentation of films primarily, and also live events; to advance education by providing lectures, workshops, courses and seminars on topics related to film and digital media; and to protect, preserve and improve the Nelson Civic Theatre with a view to commemorating the site and educating the public about it. The Civic Theatre was officially reopened in 2013. The Civic Theatre Society was recognized as a Canadian Registered Charity effective February 19, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for Not-For-Profit organizations in Part III of the *CPA Handbook*. The following is a summary of the significant accounting policies of the Society.

(a) Capital Assets

Capital assets are recorded at cost. Contributed capital assets are recorded at the fair value at the date of contribution. Amortization is calculated on a straight-line basis over the useful life of the assets as follows:

Leasehold Improvements:	4%
Furniture, fixtures & office equipment:	10%

In 2016, the amortization rate for Leasehold Improvements was changed from 10% to 4% to reflect the actual expected life of leasehold improvements (25 years).

(b) Donated Materials, Labour and Services

Donated materials, labour and services are not recorded in the accounts of the Society.

(c) Revenue Recognition

The Society follows the deferral method of accounting for contributions. Externally restricted contributions (operating) are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into income at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue or receivable if the amount to be received can be reasonably estimated and collection is reasonably ensured. Internally restricted reserves are in place to protect the ongoing operation of the Society and to allow planning for large capital projects.

(d) Financial Instruments

The Society's financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods is at amortized cost. The Society's financial instruments include cash, accounts receivable, and accounts payable.

The Society's most significant estimates include the useful lives of assets for amortization and recognition of deferred capital contributions.

NELSON CIVIC THEATRE SOCIETY
NOTES TO THE FINANCIAL STATEMENT

As At July 31, 2016
(unaudited)

3. CAPITAL ASSETS

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furnishing, Fixtures & Office	184,727	51,568	184,727	33,095
Leasehold Improvements	269,228	52,725	258,851	42,163
	<u>453,955</u>	<u>104,292</u>	<u>443,578</u>	<u>75,258</u>
Cost less accumulated amortization	<u>\$349,663</u>		<u>\$368,320</u>	

4. DEFERRED CONTRIBUTIONS

Deferred Contributions represent specific grants, donations and deposits for specific purposes that have been received but unspent as of the year end:

	2016	2015
Capital Grant - CBT (fibre)	5,820	-
Deferred Revenue - ticket sales	4,304	2,617
	<u>\$ 10,124</u>	<u>\$ 2,617</u>

5. DEFERRED CAPITAL CONTRIBUTIONS

	2016	2015
Balance, beginning of year	\$ 269,374	\$ 227,387
Additions	-	74,869
Less: amounts amortized to revenue	(21,921)	(32,882)
	<u>\$ 247,453</u>	<u>\$ 269,374</u>

6. INVESTMENT IN CAPITAL ASSETS

	2016	2015
Investment in capital assets is calculated as follows:		
Capital Assets	\$ 349,663	\$ 368,320
Less: Amounts financed by deferred capital contributions:	<u>(247,453)</u>	<u>(269,374)</u>
	<u>\$ 102,209</u>	<u>\$ 98,946</u>

NELSON CIVIC THEATRE SOCIETY
NOTES TO THE FINANCIAL STATEMENT

As At July 31, 2016
(unaudited)

7. INTERNALLY RESTRICTED RESERVE FUNDS

The Society may, with a Board resolution, set aside funds for a specific purpose. In 2016, the Society has one interally restricted fund as follows:

Reserve fund - General Capital campaign/projects	\$	100,000	120,000
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8. FINANCIAL RISKS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk at July 31, 2016.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk in the event of non performance by counterparties in connection with its accounts receivable. The Society does not anticipate significant loss for non performance.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to liquidity risk arising primarily from its accounts payable. The Society's ability to meet obligations depends on the receipt of funds from its operations and grants.

9. CHANGES IN NON-CASH WORKING CAPITAL

		2016		2015
Accounts Receivable	\$	(1,643)	\$	6,323
Due from City of Nelson		6,454		90,408
Grant Holdbacks		-		14,040
Prepaid Expenses		670		(1,088)
Inventory		(2,756)		(2,942)
Accounts Payable		12,867		(117,767)
Government Remittances Payable		412		(8,413)
Accruals		(652)		(8,613)
	\$	15,352	\$	(28,052)

Slate of Nominees for Election to Board of Directors 2016

The slate of nominees recommended by the Board has been elected by acclamation.

Therefore, no vote will be held at the AGM.

Elected to a two-year term:

John Brand

Heather Kennedy

Marilyn Mint

Darryl Santano

Jan Wright

Continuing Board Members:

Don Johnston

Paula Kiss

Graeme Leadbeater

Judy O'Leary