



Nelson Civic Theatre Society

**Annual General Meeting**

December 8, 2019

12:00 PM (Doors Open)

12:30 (AGM)

## Agenda

1. Call to order and Welcome – Jan Wright
2. Acceptance of Minutes (Annual General Meeting- December 8, 2018)
3. Presentation: The Year in Review – Eleanor Stacey
4. Presentation of the 2019 audited Financial Statements – Kiersten Packham, CPA, CA, Manager, Grant Thornton LLP
5. Acceptance of 2019 Financial Statements
6. Presentation of revised Bylaws – Board Director Marilyn Mint
7. Acceptance of revised Bylaws
8. Election of Directors – Jan Wright
9. Film Presentation – Jason Asbell
10. Concluding Remarks – Jan Wright
11. Adjournment

# Minutes

Nelson Civic Theatre Society

## **Annual General Meeting**

December 8, 2018, 12:30 pm

1. Call to order and welcome: President Marilyn Mint called the meeting to order at 6:40pm. There were 28 members present. Marilyn welcomed everyone to the AGM and thanked Civic Theatre volunteers and staff for their work in the past year.
2. Acceptance of Minutes: Moved by Bonnie Baker to accept the minutes from the last AGM, seconded by Robin Cherbo.
3. Presentation of the 2018 Financial Statements. Our Treasurer, John Brand, presented our audited financial statements.

Motion to accept the statements by Kim Charleson, seconded by P'nina Shames.  
Motion passed.

Motion to have Berg Lehman continue to prepare the annual audited financial statements by Robin Cherbo, seconded by Gretchen Jordan-Bastow.

4. Election of Directors. There were no additional nominations to the board from the membership so nominees were elected by acclamation.

Elected to a two-year term:

- Marilyn Mint
- John Brand
- Jan Wright
- Anitra Winje

Continuing board members:

- Don Johnston
- Gretchen Jordan-Bastow
- Graeme Leadbeater
- Ainsley Mackie
- Brian May

5. Adjournment. The AGM was adjourned at 7:28pm.

## Message from the President

The Nelson Civic Theatre Society's Annual General Meeting of 2019 is an occasion to showcase our Mission to the communities we serve through demonstrating our accountability, renewing our goals, promoting new initiatives, welcoming new board members, understanding our future opportunities and challenges and celebrating our perseverance and dedication to developing a non-profit cultural media arts centre.

During the last year we have focused on promoting films, developing excellence in program and service delivery, advancing education about film and digital media, fostering the growth of our rural film industry and building community support for our plans to upgrade and diversify our theatre, and to support operations through our capital campaign.

### Key Highlights for 2019 include:

- **January 2019 – Business Plan:** The *full* report of the NCTS comprehensive Business Plan 2018-2021 was shared with our community on our website (along with the Board, I encourage you to read it for a full understanding of the scope of our organization).
- **January 2019 – Nelson City Council** approved a \$1-million line of credit to the Nelson Civic Theatre Society to apply for grants necessary for the construction of a three-screen theatre in the city-owned building.
- **February 2019 - Invested in Social Capital:** NCTS's Executive Director initiated and established the Equity, Diversity and Inclusion working group for the Cultural Development Committee of the City of Nelson.
- **March 2019 – Business Excellence Award:** the Nelson and District Chamber of Commerce Annual General Meeting, Nelson Civic Theatre Society was honoured with a 2019 Business Excellence Award in the category of Non-Profit Community Service.
- **April 2019 – BC Rural Development Program:** awarded the Nelson Civic Theatre Society \$336,806 to develop architectural and engineering plans for a three-space venue to house the Kootenay Screen-Based Industry, hire a program coordinator to develop and launch the industry, and develop an online portal for screen-based industry professionals in the Kootenay region to buy, sell, lend and trade gear, space and services.
- **May 2019– Board Retreat:** the Board and Executive Director met to acknowledge the 6<sup>th</sup> anniversary of The Civic Theatre's reopening and to reflect on the following themes: Where have we been? Where are we now? Where are we going? This was the first step towards developing a process for our strategic planning work in 2020 that will include the NCTS Board, staff and community stakeholders.
- **September 2019– Invest in Youth:** L.V Rogers Secondary students and community seniors are producing a compelling documentary film about intergenerational relationships and their impact on education and community. LV

Rogers teachers Carla Wilson and Emily Browning, filmmaker Brian Lye and facilitator Lee Reid are supporting the group. The film will be shown at The Civic Theatre in May 2020.

- **December 2019 – Help Us Spread the Light Annual Appeal:** We have shared with donors, members and patrons that we needed your help to get through the time before we add more theatres within our current footprint. Until we have more screens and can accommodate more film content at the same time, **we need your help** to ensure our operational solvency, continue to bring in films and develop new programs and services reflecting community interests and needs. Please visit our website to find out how to help.

This has been a rewarding year, with the elimination of the operational deficit and the growth of a talented, skilled staff working under the leadership and guidance of a dedicated and creative Executive Director. My thank you to a committed board that has held the key roles of shared leadership, strong governance and community and sector representation with skilled and knowledgeable focus and dedication.

I would like to close by thanking our patrons, members, volunteers, donors and partners for your strong support over the last year and for playing such an important part of our journey together. Our success is the community's success.

Jan Wright  
**President**  
**Board of Directors**

## Executive Director's Report

2018-19 focused on a specific set of goals surrounding operational efficiency, fiscal health, and our vision for the future. Our intention was to further a healthy operational model where all team members feel valued and supported in their roles, and capable of fulfilling their duties in a busy, growing, changing nonprofit, while ensuring operational solvency, and moving forward in realizing programmatic and capital campaign goals. While there are always challenges in facing multi-pronged goals like this, we have been quite successful overall, with significant things to celebrate.

We initiated a coordinated volunteer training program to streamline knowledge sharing and ensure consistent service in our front of house. Our staff have worked collectively to further develop operational systems for efficacy, including our rentals administration, cleanliness of our space, and communication between departments. The addition of a House Tech/Custodian has greatly improved the cleanliness and maintenance of our facility.

We have sought to improve our outward-facing storytelling through our columns in local media, and through new images and campaigns featuring people who work within or support our organization. In October this year, we hired our first Marketing Director, who is meticulously tidying our website, refining our brand, and developing new images, campaigns and promotions.

The film industry as a whole has continued to present new challenges, but we have stayed apprised of them and responded as much as we are able. As a result, our overall box office income has remained quite stable. We have also continued to build local programming that reflects our mission and service to the community. Highlights include our annual signature Zombie Walk, Home for the Holidays, and New Year's Eve Pajama Party events, and in 2018-19, we were pleased to be a lead partner in bringing the BC Culture Days provincial launch event to the Interior for the first time. In Fall 2018 we launched the Craft Brews of the Columbia Basin Film Competition, which recently, in its second year, toured throughout the East and West Kootenays, playing in theatres from Trail to Golden. We also debuted the Super 8 Youth Film Challenge, teaching local youth to make one-shot films on Super 8 cameras, which they developed themselves by hand.

It has been exciting to see growth this year in our Screen Based Industry (SBI) Initiative, thanks to funding from the BC Rural Dividend Program. We hired a Regional Program Manager to nurture regional relationships, undertake surveying to understand the needs of this regional sector, grow [kootenayfilm.com](http://kootenayfilm.com) into a valuable commodity for the Kootenays, and establish an annual film festival at The Civic Theatre.

Finally, it has been a substantial year for capital campaign fundraising. We received \$245,000 for plan development from the BC Rural Dividend Program and approval for a

\$1 Million Line of Credit from the City. We have continued to make applications for funding, most notably a currently-pending request to the Investing in Canada Infrastructure Program for \$2.7 Million.

These efforts, events and developments are exciting, but most importantly they are each a testament to the efforts of the many people who continue to work together to realize a dynamic and ambitious vision for Nelson Civic Theatre Society. Our staff, our board, our volunteers, our donors, our members, and our patrons are all instrumental partners in growing this organization. I am grateful to each and every one of you for believing in our collective goals and for joining us on this journey.

Eleanor Stacey  
**Executive Director**

## Financials

"DRAFT"

*Financial Statements of*

**NELSON CIVIC THEATRE SOCIETY**

*July 31, 2019*



**NELSON CIVIC THEATRE SOCIETY**  
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July 31, 2019

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## INDEPENDENT AUDITORS' REPORT

To the Members of the  
Nelson Civic Theatre Society

### **Qualified Opinion**

We have audited the accompanying financial statements of the Nelson Civic Theatre Society, ("the Society"), which comprise the statement of financial position as at July 31, 2019, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Nelson Civic Theatre Society as at July 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Society derives revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended July 31, 2019 and July 31, 2018, current assets as at July 31, 2019 and July 31, 2018, and net assets as at August 1 and July 31 for both the 2019 and 2018 years. The audit opinion on the financial statements for the year ended July 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Matters**

The financial statements of the Nelson Civic Theatre Society for the year ended July 31, 2018, were audited by Berg Lehmann Chartered Professional Accountants who expressed an unmodified opinion on those statements on December 3, 2018.

## **INDEPENDENT AUDITORS' REPORT (Continued)**

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## **INDEPENDENT AUDITORS' REPORT (Continued)**

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### ***Report on Other Legal and Regulatory Requirements***

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Grant Thornton LLP*

**Chartered Professional Accountants**

December 8, 2019

Nelson, B.C.

**NELSON CIVIC THEATRE SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**As At July 31, 2019**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 358,846	\$ 34,471
Accounts receivable	25,211	12,228
Inventory	5,189	4,778
Prepaid expenditures	8,455	17,351
	<b>397,701</b>	<b>68,828</b>
<b>RESTRICTED CASH</b> (note 7)	<b>84,000</b>	<b>84,000</b>
<b>CAPITAL ASSETS</b> (note 3)	<b>431,853</b>	<b>423,094</b>
	<b>\$ 913,554</b>	<b>\$ 575,922</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 24,451	\$ 24,498
Government remittances payable	6,084	5,775
Wages payable	1,470	1,860
Deferred contributions (note 4)	368,755	46,639
	<b>400,760</b>	<b>78,772</b>
<b>DEFERRED CAPITAL CONTRIBUTIONS</b> (note 5)	<b>325,636</b>	<b>313,822</b>
<b>NET ASSETS</b>		
Invested in capital assets (note 6)	106,217	109,272
Internally restricted (note 7)	84,000	84,000
Unrestricted (deficiency)	( 3,059)	( 9,944)
	<b>187,158</b>	<b>183,328</b>
	<b>\$ 913,554</b>	<b>\$ 575,922</b>

Approved by the Directors:

**NELSON CIVIC THEATRE SOCIETY**  
**STATEMENT OF OPERATIONS**  
For the Year Ended July 31, 2019

	2019	2018
<b>REVENUE</b>		
Box office gross	\$ 398,674	\$ 413,038
Food and drink	162,875	155,615
Fundraising, contributions and donations (note 8)	87,019	53,307
Rentals	10,087	21,602
Membership dues	22,503	16,879
Advertising sales	9,750	15,192
Interest	1,538	864
Amortization of deferred capital contributions	35,065	32,913
In-kind contributions (note 9)	7,800	7,800
	<b>735,311</b>	<b>717,210</b>
<b>EXPENDITURES</b>		
Advertising and promotion	12,728	7,981
Amortization	41,835	35,368
Bank charges and interest	14,289	9,782
Box office and theatre cost of sales	217,752	230,415
Building maintenance and repair	21,458	23,390
Food and drink supplies	43,902	45,050
In-kind expenses (note 9)	7,800	7,800
Insurance	3,855	3,493
Licenses, dues, and service fees	4,202	12,604
Office	11,849	19,652
Professional and bookkeeping	30,905	26,771
Program and services	11,776	17,952
Staff and volunteer recognition training expenses	6,103	2,925
Tax and utilities	8,600	10,513
Technical consulting	3,645	24,712
Telephone and internet	3,863	4,689
Wages and benefits	286,919	248,040
	<b>731,481</b>	<b>731,137</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 3,830</b>	<b>\$( 13,927)</b>

**NELSON CIVIC THEATRE SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the Year Ended July 31, 2019

	Invested in Capital Assets (note 6)	Reserve Fund (Internally Restricted) (note 7)	Unrestricted	Total 2019	Total 2018
<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 109,272	\$ 84,000	\$ ( 9,944)	\$ 183,328	\$ 197,255
Excess (deficiency) of revenue over expenditures	( 6,770)	-	10,600	3,830	( 13,927)
Contribution from unrestricted net assets for purchase of capital assets	3,715	-	( 3,715)	-	-
Internal transfer	-	-	-	-	-
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 106,217</b>	<b>\$ 84,000</b>	<b>\$ ( 3,059)</b>	<b>\$ 187,158</b>	<b>\$ 183,328</b>

**NELSON CIVIC THEATRE SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended July 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ 3,830	\$( 13,927)
Items not affecting cash flow		
- amortization	41,835	35,368
- capital contributions amortized	( 35,065)	( 32,913)
	10,600	( 11,472)
Capital grant contributions received	46,879	81,903
Changes in non-cash working capital (note 11)	317,491	1,495
Cash Provided By Operating Activities	374,970	71,926
<b>INVESTING ACTIVITIES</b>		
Capital asset additions	( 50,595)	( 87,348)
Proceeds from disposal of capital assets	-	1,512
Cash Used For Investing Activities	( 50,595)	( 85,836)
<b>INCREASE (DECREASE) IN CASH</b>	324,375	( 13,910)
<b>CASH, BEGINNING OF YEAR</b>	118,471	132,381
<b>CASH, END OF YEAR</b>	\$ 442,846	\$ 118,471
Cash Represented By:		
Cash	\$ 358,846	\$ 34,471
Restricted cash	84,000	84,000
	\$ 442,846	\$ 118,471



**NELSON CIVIC THEATRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**As At July 31, 2019**

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**1. PURPOSE OF THE ORGANIZATION**

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 screening 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.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of the significant accounting policies of the Society.

**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	straight-line, 25 years
Future, fixtures, and office equipment	straight-line, 10 years

**Donated Materials, Labour, and Services**

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

**Revenue Recognition**

The Society follows the deferral method of accounting for contributions. Externally restricted contributions 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.

**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, accounts payable, and deferred contributions.

**Impairment of Long-Lived Assets**

The Society assesses long-lived assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized on a long-lived assets when its carrying value exceeds the total undiscounted cash flows expected from its use and eventual disposal. The amount of the impairment loss is equal to the excess of the asset's carrying value over its fair value. No impairment loss was recognized by the Society in the current year.

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**NELSON CIVIC THEATRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**As At July 31, 2019**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts and disclosures reported in financial statements and accompanying notes. Management believes that the estimates utilized in preparing these financial statements are reasonable and prudent, however, actual results could differ from these estimates.

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

**3. CAPITAL ASSETS**

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furnishing, fixtures, and office	\$ 366,693	\$ 128,490	\$ 316,098	\$ 96,570
Leasehold improvements	275,122	81,472	275,122	71,556
	<u>641,815</u>	<u>209,962</u>	<u>591,220</u>	<u>168,126</u>
Cost less accumulated amortization	<u>\$ 431,853</u>		<u>\$ 423,094</u>	

During the year, the Society acquired equipment having fair value of \$6,279 as an in-kind contribution.

**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:

	2019	2018
Columbia Basin Trust - theatre upgrade grant	\$ -	\$ 21,970
RDCK Community Investment Program - stage upgrades grant	-	11,917
RDCK Community Investment Program - screen based industry grant	-	1,351
Deferred box office revenues	7,209	7,601
Deferred advertising revenue	1,350	2,500
Event deposits	-	1,300
Columbia Kootenay Cultural Alliance - web series grant	2,350	-
Columbia Kootenay Cultural Alliance - sound and security upgrades grant	7,721	-
Craft Brewing competition corporate sponsorships	4,000	-
Corporate contributions restricted to capital campaign	4,000	-
B.C. Rural Dividend Grant	336,806	-
Hamber Foundation Grant	2,500	-
RDCK Community Investment Program - website development grant	2,809	-
B.C. Gaming Grant	10	-
	<u>\$ 368,755</u>	<u>\$ 46,639</u>

**NELSON CIVIC THEATRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**As At July 31, 2019**

**5. DEFERRED CAPITAL CONTRIBUTIONS**

	2019	2018
Balance, beginning of year	\$ 313,822	\$ 264,832
Additions	46,879	81,903
Less: Amounts amortized to revenue	<u>( 35,065)</u>	<u>( 32,913)</u>
Balance, end of year	<u>\$ 325,636</u>	<u>\$ 313,822</u>

Deferred capital contributions are amortized on a straight-line basis over the useful life of the assets that they funded.

**6. INVESTMENT IN CAPITAL ASSETS**

	2019	2018
Investment in capital assets is calculated as follows:		
Capital assets	\$ 431,853	\$ 423,094
Less: Amounts financed by deferred capital contributions	<u>( 325,636)</u>	<u>( 313,822)</u>
	<u>\$ 106,217</u>	<u>\$ 109,272</u>

**7. INTERNALLY RESTRICTED RESERVE FUNDS**

The Society may, with a Board resolution, set aside funds for a specific purpose. In 2019, the Society has one internally restricted fund as follows:

	2019	2018
Reserve fund - general capital campaign/projects	<u>\$ 84,000</u>	<u>\$ 84,000</u>

**8. FUNDRAISING, CONTRIBUTIONS, AND DONATIONS**

	2019	2018
Osprey Foundation	\$ 2,000	\$ -
Employment and Social Development Canada Seniors Grant	-	5,529
Canada Summer Jobs Grant	7,618	8,443
B.C. Gaming Grant	9,990	-
Columbia Basin Trust school works subsidy	3,367	-
B.C. Rural Dividend Grant	-	9,950
Kootenay Career Development Society wage subsidy	2,202	4,384
Columbia Basin Trust - business planning grant	-	10,000
RDCK Community Investment Program	12,340	1,564
Individual donations	41,752	6,599
Corporate donations	2,250	-
Municipal government grants	-	600
Corporate sponsorships	5,500	5,260
Fundraising event revenue	<u>-</u>	<u>978</u>
	<u>\$ 87,019</u>	<u>\$ 53,307</u>

**NELSON CIVIC THEATRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**As At July 31, 2019**

**9. IN-KIND CONTRIBUTIONS AND RELATED EXPENSES**

In-kind contributions and expenses reflect estimated costs and the related contribution for property taxes on the Society's leased building that are waived by a permissive tax exemption received from the City of Nelson.

**10. FINANCIAL INSTRUMENTS**

The Society has some exposure to risks through its financial instruments. The following analysis presents the Society's exposures to significant risk at the reporting date, July 31, 2019.

**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 obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, 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.

**11. CHANGES IN NON-CASH WORKING CAPITAL**

	2019	2018
Accounts receivable	\$( 12,983)	\$( 1,477)
Inventory	( 411)	( 1,695)
Prepaid expenditures	8,897	( 6,325)
Accounts payable and accruals	( 47)	276
Government remittances payable	309	3,416
Wages payable	( 390)	210
Deferred contributions	322,116	7,090
	<u>\$ 317,491</u>	<u>\$ 1,495</u>

# Nelson Civic Theatre Society Bylaws

September 2019

## PART 1 – DEFINITIONS AND INTERPRETATION

1.1 In these Bylaws:

**“Act”** means the *Societies Act* of British Columbia as amended from time to time;

**“Board”** means the directors of the Society;

**“Bylaws”** means these Bylaws as altered from time to time.

1.2 The definitions in the Act apply to these Bylaws.

1.3 If there is a conflict between these Bylaws and the Act or the regulations under the Act, the Act or the regulations, as the case may be, prevail.

## PART 2 – MEMBERS

2.1 A person may apply to the Board for membership in the Society and on acceptance by the Board is a Member. The Board shall from time to time make such rules governing for and admission to membership as they shall think fit.

2.2 All Members shall subscribe to and comply with the provisions of the Constitution and Bylaws and pay, when due, all appropriate membership fees.

2.3 A Member shall have a vote at any general meeting, may serve as a Director and may hold office.

2.4 The amount of the annual membership fees shall be determined by the Board.

2.5 A person ceases to be a member of the Society

- a) by delivering his/her resignation in writing to the secretary of the society or by mailing or delivering it to the address of the society;
- b) on being expelled;
- c) on having been a member not in good standing for 30 days.

## 2.6 Expulsion of Member

- a) A member may be expelled by a special resolution of the members passed at a general meeting.
- b) The notice of special resolution for expulsion must be accompanied by a brief statement of the reasons for the proposed expulsion.
- c) The person who is the subject of the proposed resolution for expulsion must be given an opportunity to be heard at the general meeting before the special resolution is put to a vote.

2.7 All members are in good standing except a member who has failed to pay his/her current annual membership fee, or any other subscription or debt due and owing by the member to the society, and the member is not in good standing for so long as those dues remain unpaid.

## 2.8 A voting member who is not in good standing

- a) may not vote at a general meeting, and
- b) is deemed not to be a voting member for the purpose of consenting to a resolution of the voting members.

# PART 3 – MEETINGS OF MEMBERS

3.1 The Directors of the Society must call an annual general meeting once in each calendar year.

3.2 Subject to bylaw 3.1, the Directors may at any time call a general meeting.

3.3 Notice of a general meeting must specify the place, day and hour of the meeting, and, in case of special business, the general nature of that business.

3.4 The accidental omission to give notice of a meeting to, or the non-receipt of a notice by, any of the members entitled to receive notice does not invalidate proceedings at that meeting.

## 3.5 Special business is

- a) All business at a general meeting except the adoption of rules of order, and
- b) All business conducted at an annual general meeting, except the following:
  - (i) The adoption of rules of order;
  - (ii) The consideration of the financial statements;

- (iii) The report of the Board;
- (iv) The report of the auditor;
- (v) The election of directors;
- (vi) The appointment of the auditor;
- (vii) The other business that, under these bylaws, ought to be conducted at an annual general meeting, or business that is brought under consideration by the report of the Board issued with the notice convening the meeting.

- 3.6 Business, other than the election of a chair and the adjournment or termination of the meeting, must not be conducted at a general meeting at a time when a quorum is not present.
- 3.7 If at any time during a general meeting there ceases to be a quorum present, business then in progress must be suspended until there is a quorum present or until the meeting is adjourned or terminated.
- 3.8 Quorum is the lesser of 19 members or 5% of the membership, or a greater number that the members may determine at a general meeting.
- 3.9 The President of the Society, the Vice-President or in the absence of both, one of the other Directors present, shall preside as chair of a General Meeting.
- 3.10 If at any general meeting: (a) there is no President, Vice-President or other Director present within 15 minutes after the time appointed for holding the meeting; or (b) the President, Vice-President and all other Directors present are unwilling to act as chair; the members present must choose one of their number to be the chair.
- 3.11 If, within 30 minutes from the time set for holding a general meeting, a quorum of voting members is not present, (a) in the case of a meeting convened on the requisition of members, the meeting is terminated, and (b) in any other case, the meeting stands adjourned to the same day in the next week, at the same time and place, and if, at the continuation of the adjourned meeting, a quorum is not present within 30 minutes from the time set for holding the continuation of the adjourned meeting, the voting members who are present constitute a quorum for that meeting.
- 3.12 A general meeting may be adjourned from time to time and from place to place, but business must not be conducted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 3.13 It is not necessary to give notice of a continuation of an adjourned general meeting or of the business to be transacted at a continuation of an adjourned general meeting except that, when a general meeting is adjourned for 30 days or more, notice of the continuation of the adjourned meeting must be given.
- 3.14 At a general meeting, voting is ordinarily by show of hands.

- 3.15 The chair of a general meeting must announce the outcome of each vote and that outcome must be recorded in the minutes of the meeting.
- 3.16 Voting by proxy is not permitted.
- 3.17 At all general meetings, every question must be decided by a simple majority of the votes cast in person, except where a special resolution is required, in which case a 2/3 majority is required.
- 3.18 Members may not participate electronically in a general meeting.
- 3.19 The minimum number of voting members required to requisition a general meeting is 10%.
- 3.20 The minimum number of voting members required to request that a matter be put on the agenda of an AGM is 5%.
- 3.21 The chair shall determine the other rules of procedure of any general meeting, guided by the most current edition of Robert's Rules of Order Revised. If any Member who is entitled to vote objects to the procedures, such Robert's Rules of Order Revised shall apply.

## PART 4 – DIRECTORS

- 4.1 The directors may exercise all the powers and do all the acts and things that the society may exercise and do and that are not by these bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the society in a general meeting, but subject, nevertheless to
  - a) all laws affecting the society,
  - b) these bylaws, and
  - c) rules, not being inconsistent with these bylaws, that are made from time to time by the society in a general meeting.
- 4.2 A rule, made by the society in a general meeting, does not invalidate a prior act of the Directors that would have been valid if that rule had not been made.
- 4.3 There shall be nine directors including the President, Vice-President, Secretary, Treasurer and five other persons.
- 4.4 Directors are elected at the annual general meeting for a term of two years and must retire from office at the end of their term. They may then stand for re-election. To achieve continuity, terms shall be staggered.
- 4.5 An election may be by acclamation; otherwise, it must be by ballot. Where an equal number of votes have been counted for two or more candidates, the chair shall place



one ballot which has been marked for each candidate thus tied into a suitable container and the Chair shall draw one ballot at random to determine the person to be elected.

- 4.6 The Board may, at any time, appoint a member as a director to fill a vacancy that arises on the Board as a result of the resignation, death or incapacity of a director during the director's term of office.
- 4.7 A director appointed by the Board to fill a vacancy holds office only until the conclusion of the next annual general meeting of the society but is eligible for re-election at the meeting.
- 4.8 An act or proceeding of the Directors is not invalid merely because there are less than the prescribed number of Directors in office.
- 4.9 The Members may, by special resolution, remove a Director, before the expiration of his or her term of office, and may elect a successor to complete the term of office.
- 4.10 Directors shall serve without remuneration, and no director shall directly or indirectly receive any profit from his or her position as such, provided that a director may be reimbursed for reasonable expenses incurred in performing his or her duties.
- 4.11 A director shall cease to hold office
  - a) upon ceasing to be a member of the society or upon giving notice of resignation, in writing, to the Secretary;
  - b) if a director misses three consecutive meetings without notice, upon a resolution passed by the directors.

## PART 5 – DIRECTORS' MEETINGS

- 5.1 The Directors may meet at the places they think fit to conduct business, adjourn and otherwise regulate their meetings and proceedings as they see fit.
- 5.2 At least 2 days' notice of a directors' meeting must be given unless all the directors agree to a shorter notice period.
- 5.3 The accidental omission to give notice of a directors' meeting to a director, or the non-receipt of a notice by a director, does not invalidate proceedings at the meeting.
- 5.4 At any meeting of the Directors of the Society, five (5) Directors shall constitute a quorum.
- 5.5 The President is the chair of all meetings of the Directors, but if at a meeting the President is not present within 30 minutes after the time appointed for holding the meeting, the Vice-President must act as chair. If neither is present, the Directors present may choose one of their number to be the chair at the meeting.
- 5.6 Without limiting the generality of the foregoing, and for greater certainty, the Directors may participate in meetings by telephone or other communications medium if all

Directors participating in the meeting, whether in person, by telephone, or by other communications medium are able to communicate with one another.

- 5.7 Motions arising at a meeting of the Board and a committee of the Board shall be seconded and decided by a majority of votes. The chair may vote at a meeting of the Board.
- 5.8 A resolution, agreed to by a majority of the directors, either in writing or by email, and placed with the minutes of the Board is as valid and effective as if regularly passed at a meeting of the Board.

## PART 6 – BOARD POSITIONS

- 6.1 Directors must be elected or appointed by the Board to the following Board positions as its Officers, and a director, other than the president, may hold more than one position:
  - (a) president;
  - (b) vice-president;
  - (c) secretary;
  - (d) treasurer.
- 6.2 The Officers shall hold office at the pleasure of the Board until their successor shall be elected.
- 6.3 Elected officers may be removed from office by a majority vote of the Board. Officers so removed may remain as Directors.
- 6.4 The president is the chair of the Board and is responsible for supervising the other directors in the execution of their duties. The President shall preside at all meetings of the Society and of the Directors and shall be a member of all committees of the Board ex officio.
- 6.5 The vice-president is the vice-chair of the Board and is responsible for carrying out the duties of the president if the president is unable to act. Upon the expressed assignment of the President, the Vice-President may appear, speak and act on behalf of the President in certain circumstances where the President is required, but unable to attend.
- 6.6 The secretary is responsible for doing, or making the necessary arrangements for, the following:
  - (a) issuing notices of general meetings and directors' meetings;
  - (b) taking minutes of general meetings and directors' meetings;
  - (c) keeping the records of the Society in accordance with the Act;
  - (d) conducting the correspondence of the Board;
  - (e) filing the annual report of the Society and making any other filings with the registrar under the Act;

(f) maintaining the Register of Members.

6.7 The treasurer is responsible for doing, or making the necessary arrangements for, the following:

a) ensuring that full and accurate accounts of the financial affairs of the Society are kept

b) maintaining proper bank or other financial institution accounts through which the business of the Society will be designated from time to time by the Board.

c) supervising the financial affairs of the Society under the direction of the Board and rendering to the Board an account of all transactions and the financial position of the Society whenever required and presenting the Society's financial reports at each annual general meeting.

(d) making the Society's filings respecting taxes.

## PART 7 – COMMITTEES

7.1 To better achieve the purposes of the Society, the Board shall have the power to appoint committees which are intended to assist the Board in its work. The Board may determine the makeup and the structure of any such committees.

7.2 Without the Board's express authority, no committees shall have power to undertake any action which may involve the expenditure of funds or which may otherwise commit the Society to any action.

7.3 The Directors may delegate any, but not all, of their powers to committees consisting of a Director(s) as they think fit.

7.4 A committee so formed in the exercise of the powers so delegated must conform to any rules imposed on it by the Directors, and must report every act or thing done in exercise of those powers to the earliest meeting of the Directors held after the act or thing has been done.

7.5 A committee must elect a chair of its meetings, but if no chair is elected, or if at a meeting the chair is not present within 30 minutes after the time appointed for holding the meeting, the Directors present who are members of the committee must choose one of their number to be the chair of the meeting.

7.6 The members of a committee may meet and adjourn as they think proper.

7.7 Questions arising at a committee must be decided by a majority of votes of the members of the committee. In the case of a tie vote, the chair does not have a second or casting vote.

## PART 8 – INDEMNITY AND PROTECTION OF OFFICERS AND DIRECTORS

- 8.1 Indemnification of Directors and Officers- Subject to the provisions of the Society Act, the Board shall cause the Society to indemnify a Director or former Director, or an officer or former officer of the Society and the heirs and personal representatives of any such person against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by her or them including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which she is or they are made a party by reason of her or their being or having been a Director of the Society or former Director of the Society or an officer or former officer of the Society, including any action brought by the Society provided that: (a) the Director or officer acted honourably and in good faith with a view to the best interest of the Society; (b) in the case of a criminal or administrative action or proceeding, the Director or officer had reasonable grounds for believing that the conduct was lawful. Each Director or officer of the Society on being elected or appointed shall be deemed to have contracted with the Society on the terms of the foregoing indemnity.
- 8.2 Insurance - The Board may cause the Society to purchase and maintain insurance for the benefit of any person who is or was serving as a Director, officer, employee or agent of the Society, and her heirs or personal representatives against any liability incurred by her as such Director, officer, employee or agent.

## PART 9 – FINANCIALS, AUDITOR, BORROWING

- 9.1 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.
- 9.2 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.
- 9.3 The Board shall present before the membership at the annual general meeting, a financial statement showing all income, expenditures, assets and liabilities of the Society during the preceding fiscal year and which otherwise complies with any and all other requirements of the Society Act.
- 9.4 The financial statement shall be approved by the Board before being so presented, such approval being evidenced by the signatures of at least two Directors.
- 9.5 At each annual general meeting, the members shall appoint an auditor to hold office until the auditor is re-elected or a successor is elected at the next annual general meeting. The auditor must not be a Director of the Society.
- 9.6 Raising and Borrowing of Funds - The Board of the Society shall have the power to borrow, raise or secure the payment of funds in any manner which is consistent with the

Society Act and the Constitution and Bylaws and which is intended to facilitate the operations of the Society and/or the well being of its Members. No debenture shall be issued without the sanction of a special resolution.

- 9.7 With the exception of the acquisition and restoration of the Civic Theatre or any repairs or maintenance required to protect and preserve the Society's assets, the Directors of the Society shall not undertake any capital expenditure, commitment or obligation in excess of the sum of FIFTY THOUSAND DOLLARS (\$50,000.00), without the approval of a majority vote of the members present at any general meeting of the Society first having been obtained. This provision shall not apply to the payment of salaries, wages, taxes, insurance premiums or any other expenditure incurred in the normal course of business.

## PART 10 – NOTICE

- 10.1 A notice may be given to a Member, either personally, by mail, email or by any other electronic form capable of being retained by the recipient in a manner usable for subsequent reference, at the Member's physical or electronic address as recorded on the Society's register of Members.
- 10.2 A notice sent by mail is deemed to have been given on the second day following the day on which the notice is posted, and in proving that notice has been given, it is sufficient to prove the notice was properly addressed and put in a Canadian post office receptacle.
- 10.3 Notice by email or other electronic form is deemed to have been given on the day following the day on which it was transmitted.
- 10.4 Notice of the date, time and location of a general meeting
- a) shall be sent to every member of the society who has provided an email address and
  - b) shall be posted on the society's website, throughout the period commencing at least 21 days before the meeting and ending when the meeting is held.
- 10.5 The accidental omission to send notice of a general meeting to a member, or the non-receipt of notice by a member, does not invalidate any proceedings at the meeting.

## PART 11 – RECORDS AND THE INSPECTION THEREOF

- 11.1 The Board will establish procedures for the inspection and disclosure of all official records.

- 11.2 The official records of the society pursuant to s.20(1) of the Act will be open to the inspection of members with the following exceptions:
- a) minutes of Directors' meetings
  - b) written resolutions passed by Directors
  - c) accounting records
- 11.3 Members and other persons do not have the right to access any other official record of the society without the board's approval and at its sole discretion.
- 11.4 A person who obtains a copy of the society's Register of Directors may only use its contact information for purposes related to the society's affairs.

## PART 12 – CONSTITUTION AND BYLAWS

- 12.1 On being admitted to membership, each Member is entitled to, and the Society must give the Member upon request without charge, a copy of the constitution and bylaws of the Society.
- 12.2 Subject to all requirements of the Society Act, these Bylaws may be altered or added to at any general meeting of the Society by a special resolution adopted by the Members of the Society.

## PART 13 – DISSOLUTION

- 13.1 Upon the winding up or dissolution of the Society, the funds and property remaining after the payment of all costs, charges and expenses properly incurred in the winding-up or dissolution, including the remuneration of a liquidator, and after payment to employees of the Society of any arrears of salaries or wages, and after payment of any debts of the Society, shall be distributed to the City of Nelson and any other registered charities and "qualified donees", as defined by the Income Tax Act, as shall be designated by the Board. Any of such funds or property remaining which had originally been received for specific purposes shall, wherever possible, be distributed to registered charities and "qualified donees" carrying on work of a similar nature to such specific purposes.

## Motion regarding NCTS Bylaws

### **Preamble**

Whereas the new BC Societies Act, enacted in 2016, contains significant changes in the way a society governs itself and, in order that the bylaws of the Nelson Civic Theatre Society more closely reflect those changes

### **Be it resolved**

That the existing bylaws of the Nelson Civic Theatre Society be rescinded in their entirety and these revised bylaws be adopted in their stead.

## Election of Directors

Following an active recruitment process to fill open Board positions, we are pleased to introduce the following nominees who we feel confident have the experience and skills to advance our mission.

### **Standing for a two-year term:**

Carlo Alcos

Kumar Banerjee

Gretchen Jordan-Bastow

Brian May

P'nina Shames

### **Standing for election to a one-year term:**

Ainsley Mackie

### **Continuing Board Members:**

John Brand

Marilyn Mint

Jan Wright