

LCTS 2022 AGM - President's Report, Treasurer's Report

PRESIDENT'S REPORT: Wayne Yercha - December 5, 2022

When we were elected as the new Board of Directors at the SGM in September, we noted that we considered ourselves to be a "Caretaker Board" with two primary aims. First, to return the theatre to operating status, and second, to conduct a thorough assessment of the current state of the Society, including finances and operations. I believe we have achieved these aims.

As you know, Langham is now in operation and we are currently staging the play, *Almost, Maine*. In order to do so, it has required that we reestablish multiple operations that were no longer functioning. These included ticketing and box office, front of house, ushering, bartending, reinstating the liquor license, and more. It also involved an extraordinary effort by the actors, crew, creative and production teams, and all the volunteers associated with *Almost, Maine*, who were asked to do, in a very short period of time, what would normally be done over many months. This work has now paved the way for us to bring our second play of the season, *Silent Sky*, to the stage in January, after two previous cancellations.

In addition to our productions, we've undertaken a number of other steps to restore and expand Langham's operations. We hosted a very successful Welcome Back Open House, attended by at least two hundred people, many of whom were new to Langham. We've reached out to the students and staff of Victoria Academy of Dramatic Arts, inviting them to become an integral part of the Langham community. We've scheduled a Readers' Theatre event for December 20th, and in February will be hosting a fundraising event for Ukrainian newcomers who have relocated to Victoria due to the ongoing war in Ukraine. We've worked with Central Middle School to provide Langham's stage for an upcoming grade 8 drama production, and have begun to explore ways of supporting a number of community arts groups in the coming months.

All of this has required enormous amounts of work from talented and dedicated Langham volunteers and staff who have stepped forward to bring the theatre back to life. As I mentioned to Langham audiences in my opening welcome for *Almost, Maine* - this is what community theatre is all about, providing opportunities and working together. That's why it's so important and so valuable. People coming together to play a role, to be part of the story, not just on stage but back stage and throughout the community. And we will need this level of support to continue and evolve, if we are to be successful in moving Langham forward, because, as noted in the Treasurer's report, it has been an extremely challenging year for Langham, one in which we find ourselves with greatly diminished financial resources. Because of this, it is unlikely that we will soon be able to hire a General Manager and will need to rely on even greater volunteer engagement to sustain the theatre while resources are being rebuilt. However, the positive aspect of this situation is that we now have the largest Langham membership in recent memory - around 375 members, with amazing talents and skills to share. In this, I believe, lies the future of Langham Court Theatre, as a welcoming, inclusive, and diverse community.

To close, and on a personal note, I'd like to thank Dick Newson, our Interim Administrator, and my fellow Board Members, who have so generously given their time, energy, and expertise in taking on this extremely difficult challenge - and I'd like to offer my special appreciation to the many, many volunteers who have made Langham's reopening possible. You made it happen. Thank you.

TREASURER'S REPORT: Andrew Law - December 5, 2022

The 2022 fiscal year was challenging for Langham Court Theatre Society. The cancellation of our 2021-2022 season resulted in significantly reduced production revenues of \$13,336. This combined with abnormally high administrative expenses of \$136,753, contributed to a total deficit for the fiscal year of (\$92,897). High administrative expenses must be addressed if the theatre is to continue to operate.

Our current operational account balances of ~\$60,000 will provide us immediate funds to continue operating the theatre and fund our operations and productions. It is essential, however, that Langham Court Theatre Society finds a way to resume consistent revenue streams through regular season productions, if it hopes to continue operations. Our Finance Committee will prioritize efforts on pursuing additional sources of income through public grants and other methods.

Since the last AGM, a total of \$119,827 was transferred from reserve and restricted accounts to cover operational expenses. Our current operational reserve balance is .70 and must be replenished along with our other reserve accounts. We must also repay \$40,000 of our CEBA loan balance by the end of the 2023 calendar year to avoid a \$20,000 penalty. We currently have a \$30,000 GIC allocated for this.

While funds of \$40,000 have been received from a BC gaming grant, these monies have been placed into our equipment reserve restricted account, as they must be used for certain pre-defined purposes and, in some cases, matched by Langham.

Immediately following our SGM on September 28th, we established a "Caretaker" Finance Committee to review all financial transactions since the last AGM and close out the books for the fiscal year. Working with our bookkeepers and other members of Langham Court Theatre Society, the Finance Committee concluded that there was a breakdown in financial controls, budgeting, risk analysis and communication for the 2022 fiscal year. This included the transfers of funds from "restricted" accounts to cover operational expenses, missing support and documentation for various transactions, and a lack of regular financial reporting to the membership.

In order to remediate these gaps, the Caretaker Board approved a new set of procedures defined by the Finance Committee to require that all bills be paid through our bookkeeper, with supporting documentation and identification to appropriate expense accounts, before payments are approved by the Treasurer. Manual e-transfers, cheque payments, and credit card use will only be used on an exceptional basis.

A shining light in our financial report comes from the dedicated cast and crew of *Almost, Maine*, who, in an extraordinarily short amount of time, worked tirelessly to put on their production and generate gross sales for the Society of over \$17,000, as of today. Also, throughout the year, the Costume Loft has consistently and steadily provided an excellent service to the community, while generating \$22,864 in revenue for the Society.

The contributions of the dedicated volunteers who have come to work the front of house, box office and bar for all of our new events is also a critical part of our ongoing revenue stream.

Looking forward, careful attention and reporting of financials, combined with a focus on doing what Langham Court Theatre does best, putting on great productions, should enable the Society to return to a healthier financial position by the end of the next fiscal year.