

Changes Arising from New Not-for-Profit Corporations Act (NFP Act)

(These changes to take effect **after** our 2014 AGM.)

NFP Act: <http://laws-lois.justice.gc.ca/eng/acts/C-7.75/index.html> Directors should be familiar with the Act, as they must abide by its requirements.

New Bylaws: The NFP Act contains much of what was previously in bylaws, although we can keep things there as long as it doesn't conflict with the Act. We can include additional or specific requirements in our bylaws. Joyce has created new bylaws based on revising the old ones. Deletions represent what is covered adequately in the NFP Act. Changes/additions represent things modified by or additional to the NFP Act, such as previously-passed motions.

Register of Directors and Officers must be kept with certain required information (name, residential address, email address, date became Director or Officer, date ceased being Director or Officer, and whether Director agrees to receive information electronically). This Register has been created, and will be maintained and retained by Joyce.

Form 4031, Articles of Continuance to be completed, approved at AGM, and submitted after AGM.

Form 4002, Initial Registered Office Address and First Board of Directors to be completed and submitted after 2014 AGM.

AGM written notice: Members must receive written notice of the Annual General Meeting three weeks in advance. The notice must be accompanied by a summary of the annual financial statements.

Change of Directors: Whenever there is a change in directors (including by appointment during the fiscal year), Corporations Canada must be notified within 15 days by filing Form 4006, Changes Regarding Directors.

Registered office: All required records must be kept at our registered office "or at any other place in Canada designated by the directors." This does not seem to preclude multiple places. All required records are currently kept by the Executive Director, Treasurer, and Membership Officer, and some are also on our website (Required records include articles of incorporation, bylaws, member agreements, meeting minutes, meeting resolutions, register of directors/officers, register of members).

To be approved by vote at AGM:

1. Special Resolution:
 - Pertains to meeting requirements of NFP Act
 - Must be passed by 2/3rds majority
 - Must be signed by Treasurer/Secretary
2. Schedule A – Articles of Continuance (Form 4031)
3. Schedule B – New General Operating Bylaw No.1

4. Resolution: “For fiscal year 2014, ARCC will not appoint a Public Accountant. We will use the Compilation method of producing financial statements.” (See details below under Financial issues).

Other Issues

Address change: Directors will need to notify Executive Director of any change of address in the last year.

Financial issues: ARCC needs to prepare our annual financial statements according to the *Canadian Institute of Chartered Accountants Handbook*. Our financial statements must consist of:

- A statement of financial position or a balance sheet
- A statement of comprehensive income or a statement of retained earnings
- A statement of changes in equity or an income statement, and
- A statement of cash flows or a statement of changes in financial position.

Our Treasurer has reviewed these requirements after consulting an accountant and ARCC is (or will be) in compliance.

At each AGM, we must hold a vote on whether or not to appoint a “public accountant” (i.e., auditor). The vote must be unanimous to **not** appoint a PA. Because of our small size, low revenue, and stable financial situation, it is proposed that we vote not to appoint a PA and to use the Compilation method of producing our financial statements:

Soliciting Corporations (that’s us)

Members must appoint a Public Accountant (PA) by ordinary resolution at each annual meeting.

Exception – Members may waive appointment by annual unanimous resolution. PA must conduct review engagement, but members may pass an ordinary resolution to require an audit instead. (If no PA is appointed, then compilation only.)

Compilation

Compilation is the process by which unaudited financial information is compiled to produce financial statements that are based on information provided by the organization. A compilation does not provide any assurances as to the accuracy or veracity of the financial statements since there has been no audit or review engagement done. The NFP Act does not require a public accountant to produce a compilation, although the financial statements must be prepared in accordance with the Canadian generally accepted accounting principles (GAAP) as set out in the *Canadian Institute of Chartered Accountants Handbook*.