

2021 Annual General Meeting - Notice of Meeting



Online Annual General Meeting Sunday May 2, 2021 - 1:00 pm Eastern

The 2021 MAAC AGM will be held as an online 'web based' meeting that will be accessible to members using a normal web browser. Live voting will require access to email and a second browser tab on the same computer.

MAAC is requiring members to register their intent to attend the meeting, vote in advance, or assign their vote to another member by using the secure link on the member dashboard once you've signed in to <https://secure.MAAC.ca>. This is to ensure our technology infrastructure and online meeting system is accessible, functional, and practical for the number of attendees we will have.

The electronic ballots and login information for the meeting will be provided to registered attendees after the registration deadline has passed.

AGM Registration Deadline – Midnight EDT, April 16, 2021

Paper Copy Open or Closed Proxy deadline – 5:00pm EDT April 28, 2021

Registering for the AGM

MAAC members can register for the AGM through a link on their member dashboard. Simply log in to your member account at maac.ca to see your member dashboard. Click on the "2021 MAAC Annual General Meeting (AGM) Registration" link to register to attend the meeting, vote in advance of the meeting, or assign your vote to another member.

How to Attend

The Annual General Meeting will be held as a web-based meeting that will require attendees to have a reliable internet connection, a basic web browser, and audio output. Members who wish to ask questions or make statements during the AGM should include those in the AGM registration form on the MAAC website. Submitted comments and questions will be curated, combined, and sent out with the meeting login information.

There will be an un-moderated chat window where attendees can have an open discussion, but this will not be monitored for questions for the meeting.

There will be a 'questions' tab available to submit official questions to the meeting that will be presented by the moderator and addressed.

MAAC Virtual Annual General Meeting Agenda

Sunday May 2, 2021 - 1:00 p.m. EST

Note: Only **bold** items are voted on by the membership

Call to order

Opening Remarks

Establish Quorum

Review Agenda

Introduction of 2021 Board of Directors

Approval of 2020 AGM Minutes (attached)

Business arising from the minutes

Presentation of the President's Report (attached)

Presentation of 2020 Audited Financial Report (attached)

Presentation of 2021 Board Approved Budget (attached)

Appoint 2020 auditors BLR as Auditors for 2021

Resolutions (attached)

Presentation of Recommendations (attached)

Announce Date & location of 2022 AGM

Otherwise unaddressed comments from members

Adjournment

How to Vote

Electronic Closed Proxy: Members wishing to vote in advance of the meeting can request a closed proxy by logging in to your account on <https://secure.maac.ca> and clicking on AGM Registration link on your Dashboard. After the registration deadline, members will be sent a secure electronic Ballot link from "Surveys@MAAC./ca via Survey Monkey" and can submit their ballot at any time up to the start of the virtual AGM.

Electronic Open Proxy: Members can assign their vote to another member who is attending and voting live at the AGM using the Open Proxy option found by following the secure MAAC AGM Registration link on your Dashboard at <https://secure.maac.ca>.

Live Voting during the AGM: Members wishing to vote live during the AGM must register using the AGM Registration form found by following the secure MAAC AGM Registration link on your Dashboard at <https://secure.maac.ca>. Members will then be sent a secure electronic Ballot link from "Surveys@MAAC./ca via Survey Monkey". Members will need to be able to access email and two web browser windows during the meeting.

Paper Open and Closed Proxy Form: Members can still use the traditional paper proxy form (page 2) and send it to the office, but we strongly encourage use of the electronic voting system.

2021 Annual General Meeting - Open Proxy



OPEN PROXY

This proxy will allow _____ MAAC # _____ to vote on my behalf at the Annual General Meeting of the Model Aeronautics Association of Canada, held May 2, 2021 according to his/her discretion.

Name _____ MAAC # _____ Zone ____ Signed _____ Date _____

2021 Annual General Meeting - Closed Proxy



CLOSED PROXY

This proxy form will allow the MAAC Secretary/Treasurer to deliver my vote in the fashion described at the Annual General Meeting of the Model Aeronautics Association of Canada, held May 2, 2021.

This form must be completed in its entirety or it will be invalid for use at the Annual General Meeting.

Name _____ MAAC # _____ Zone ____ Signed _____ Date _____

2020 AGM Minutes	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
2021 Board Approved Budget	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
Appoint BLR as Auditors for 2021	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain

Resolutions:

1. Weighted Voting at Board Meetings	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
2. Adding "New Business" at all Board Meetings	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
3. Prioritization of Items Regarding the Agenda of the BoD Meetings	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
4. Virtual Meetings	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
5. Selecting Best of Class Software for Virtual Meetings	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
6. Change Composition of the MAAC BOD Executive Committee	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
7. MAAC Flying Field Sanctions	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
8. Reasonable Relief	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
9. MAC Magazine Editor's Publishing Guidelines	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
10. Constitution Amendment	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
11. Term Limits for Directors	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain
12. Notice of Members Meeting	<input type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstain

If you do not intend to vote online, this completed proxy form must arrive at the MAAC Head Office no later than April 28, 2021.

By Mail:

Model Aeronautics Association of Canada
Unit 9, 5100 South Service Rd. Burlington, ON L7L 6A5

By Fax:

905-632-3304

Scan and Email to :

office@MAAC.ca

2020 Annual General Meeting - Draft Minutes



2020 Virtual MAAC Annual General Meeting December 13, 2020

Adam Maas, SE Ontario Zone Director and chairman of the Virtual AGM Ad Hoc committee gave instructions on how members present could participate and vote during the meeting.

Call to Order: President Peter Schaffer called the meeting to order at 1:04 pm and welcomed all. Thanks to all that made the virtual meeting possible. Virtual meeting makes it possible for many more members to attend and reduced cost for the meeting. Feedback after the meeting was requested. Board of Directors response to MAAC AGM policy and structure changes, input was considered, and changes made to MAAC policies, after this meeting other ideas and suggestions will be considered for the next AGM. Presenters today are Adam Maas, moderator and Sergeant at Arms, and Linda Patrick, secretary for this meeting.

Quorum: Quorum (December 12, 9517 open members, 476 needed for quorum) was established with 9,355 members represented; 55 members present in person, 993 by proxy and 8307 by zone director votes.

Approval of Agenda: Frank Klenk #32001 moved approval of the agenda as published, seconded by Denis Loo #28904.

The motion carried 7494 for, 15 against (7509 votes cast).

Introductions: The president introduced the Board of Directors: Roger Ganley, Alberta/NW Territories; Cato Hansen, Atlantic; Roly Worsfold, British Columbia Interior; Randy Hepner, Manitoba/Northwestern Ontario; Roy Rymer, Middle Ontario; Kevin McGrath, Northern Ontario; Mike Anderson, Ottawa Valley; John Deadman, South West BC; Jean-Paul LeGuilcher, Quebec; Steve Woloz, St Lawrence; Grant Robinson, Saskatchewan; Adam Maas, South East Ontario and Frank Klenk, South West Ontario. Linda Patrick, Secretary/Treasurer, Keith Bennett, Constitution Advisory Chairman and Vicki Wilson, Auditor were introduced as well.

The newly elected Executive is as follows: President Peter Schaffer, Vice President Frank Klenk and members at large, Jean Paul LeGuilcher, Cato Hansen and John Deadman.

Approval of 2019 AGM Minutes: It was moved by Darin Murdoch #76940 to approve the April 14, 2019 Annual General Meeting minutes, seconded by Mark Sharpe #20719L.

The motion carried 7898 for, 7 against (7905 votes cast).

Business Arising from the Minutes: None.

President's Report: Peter noted that his report was published in the 2020 Jan/Feb issue of MAC Magazine. He touched on more recent issues not included in that report such as: the loss of members in the United Kingdom (6%), the USA (5%) and MAAC (2.5%) in 2019, there are no numbers available for 2020 yet, the expectation is that MAAC will experience a 5% decline in membership in 2020 which is built into the 2020 budget. FAI loss of two major sponsors and declining participation has put financial stress on the FAI. A new president David Monk was elected on Dec 5th, 2020. Communications from various organizations and CIAM (aeromodelling commission) president expressing concerns over finances have been sent to FAI. MAAC surplus and deficit financials for the last couple of years were mentioned. Recent activities and rumors regarding two resolutions to change the constitution were addressed. There was no discussion by the board to remove MAAC from Aero Club of Canada or FAI. There has been discussion with AMA to try to enhance competition on both sides of the border with a north/south circuit, the feeling being that more members could afford to participate versus the cost to participate internationally.

2019 Audited Financial Report: Questions were called for.

A question regarding the 2013 CRA audit was raised. Response was that MAAC has retained its not-for-profit status and no further action or audits by CRA since.

Question regarding the number of NPO's the size of MAAC had an audit committee, response was 10 of 30.

Question regarding board approval of the Financials, the board did approve the financials.

Question regarding zone promotions, formula based on percentage of number of members in each zone to total number of members nationally (minimum of \$1,000) and administered by the zone director as seen fit.

Question regarding Financials are they a detailed audit or notice to reader, response was that the MAAC Financials is a three-level audit.

Question regarding Credit card fees, response was that \$31,000 of the fees shown are Global payment fees, that line description will be renamed in the next audit to make it clearer.

Question regarding field registration fees, these are the annual fees that clubs pay to renew their fields, the line also includes new club fees.

Question regarding work from home costs, the costs are relative to 2020 not 2019, however, a new laptop was purchased out of dedicated funds to enable Linda to work from home, the older laptop was setup for Rivka to work from home. Phone lines were installed in each of our homes so that the office lines could be forwarded to those MAAC phone lines rather than personal phones.

Question, with only two people in the office why are they working from home? Rules are changing constantly; we are doing our best to keep everyone including our employees safe and healthy.

Vicki Wilson did a summary of the 2019 Financial statements published in the September/October issue of MAC magazine and sent to all members with notice of the AGM meeting.

Geoff Strotmann #30746L moved approval of the 2019 Audited Financial Statements prepared by BLR LLP, seconded by Mike Anderson #17752L.

The motion carried 7870 for, 31 against (7901 votes cast).

Proposed Budget for 2020: It was moved by Mike Anderson #17752L to approve the proposed 2020 Budget, seconded by John Deadman #26518.

The motion carried 7875 for, 31 against (7906 votes cast).

Appoint Auditor for 2020: It was moved by Mark Betuzzi #26605L to appoint BLR LLP as auditor for 2020, seconded by Jean Paul LeGuilcher #17859.

The motion carried 7205 for, 0 against (7205 votes cast).

Questions from Members in advance of AGM:

Model Aviation Canada – President Peter Schaffer

Have we looked at ways of cutting the costs of the magazine?

The board of directors and our publisher continue to look at ways to reduce costs each year.

Would we save money by having the magazine only virtual?

There might be some savings, however we still have members who are not online, and the magazine is our means of communicating to the membership.

It is confusing to try to find English text in the magazine.

Magazine content layout has English text predominantly on the right and French on the left, page headings are in red for English and blue for French it is the best compromise we have been able to achieve. Separate English and French magazines have been looked at, but the costs are prohibitive.

Reduce costs by having less content, only the important items.

We have been looking at changes to the content, such as having zone and committee content moved to the website to allow for more content that will be of interest to the members.

Transport Canada – Randy Hepner

Concerned with legal issue regarding flying from your own property.

MAAC members must adhere to all the MAAC safety rules, procedures, guidelines applicable whether at a club field, your own property or anywhere else. MAAC has not developed a checklist regarding where you fly, rather MSD 1 – 3, MSD, MPPD and MAP's applicable to the type of model you operate and your circumstances, the exemption itself must all be referred to. Lastly, criteria in MSD 25 are mandatory.

MAAC needs to find a better way to communicate changes of MAAC rules and how they relate to Transport Canada Remotely Piloted Aircraft Systems rules particularly for those flying away from MAAC fields.

MAAC continues to evaluate the communication method we employ for all announcements and changes. The safety advisory group agrees that we may need to employ different methods for safety/regulatory messages and options are being explored.

Please work to keep our flying privileges intact without additional permits or licensing being required.

The MAAC exemption requirements are substantially less burdensome on the membership than the current part IX RPAS regulations. We do have members who continue to sit on the Transport Canada Advisory Group to advise and lobby decision makers to keep our MAAC regulations as simple as possible. Members of MAAC can assist by continuing to abide by all MAAC rules, regulations and guidelines. Our safety record greatly supports our endeavors in this regard.

Will MAAC insurance cover new members who have not obtained their "wings" and have an accident causing personal or property damage while flying solo? It is not safe to use the buddy box system due to the pandemic.

Demonstration of MAAC pilot competency as outlined in MSD 25 is now a legal requirement per the Transport Canada exemption. The MAAC "wings" program is not mandatory and does not meet the requirements of MSD 25. Insurance coverage is contingent on following all MAAC rules. If you have not met the requirements in MSD 25 or have not been grandfathered in as described in MSD 25, you should not be flying alone as it is both illegal and not covered by insurance. Nowhere in MAAC rules or MSD 25 is the use of a buddy box or any other method of training specified. MSD 25 allows for training under the direct supervision of the instructor which can have applications under certain conditions such as COVID 19. Exactly how this occurs has been left up to the clubs and instructors. If you require further clarifications, please contact your zone director.

Question regarding accidents/insurance claims, how many were submitted and processed and how much was paid out?

No claims in 2019, one claim in 2020, currently in the hands of insurance adjuster and not resolved.

Governance - Peter Schaffer

Behavior

MAAC does not discuss behavior issues in public, all such issues are discussed by the board in confidence at "In Camera" meetings.

Appeal process for decisions made by a zone director

The question opens a discussion regarding the keeping of governance documents current with today's needs. Committees and the board work constantly on governance and safety documents to keep them current, however, generally a situation must occur before you realize that you have a problem and change, or rules must be made. In some cases, an organization can be proactive in making rules and in others the rules come after a new or unforeseen circumstance occurs. Governance issues can come from members, zone meetings, committees or the board. All issues are considered and moved forward as necessary in priority order.

Code of Conduct Proposals – Randy Hepner

MAAC has a Violence/Harassment policy for head office employees and various requirements of directors and other volunteers that interact with one another and staff at the head office level. Issues have been raised concerning the conduct of various parties in various venues including electronic communications. At a November board meeting it was decided that MAAC should review current policies, update, revise and/or consolidate into one document. A committee has been formed to investigate industry best practices, legal obligations and draft a proposal for possible implementation at MAAC. The committee members are Randy Hepner ZD-D, Adam Maas ZD-L and Linda Patrick, Secretary/Treasurer. At this time proposals would be limited in scope to the board, employees and certain volunteers. Adoptions by clubs or individual members is not envisioned at this time.

There was a break in the meeting from 2:59 to 3:13 pm.

Constitution Advisory Chairman Keith Bennett was given the floor for presentation of the resolutions and recommendations from the 2019 Annual Zone Meetings. Resolutions are used to make changes to the corporate documents: constitution, bylaws and policy manual. Recommendations are brought to the board as guidance on how it conducts its activities which may be far ranging from also including corporate documents to how it conducts its day-to-day activities, committees etc.

Resolutions:

#1 – Constitution Amendment #1 – Move articles 2 & 3 to Policy Manual: recommendation of the board is to not support the resolution.

Comments from members in favor of the motion and comments from members against the motion were read out to the members present.

Randy Hepner #73793 moved the resolution be accepted, seconded by Grant Robinson #26561.

The motion was defeated 1482 for, 5891 against (7373 votes cast).

#2 – Constitution Amendment #2 – amend articles 1 through 4 - recommendation of the board is to not support the resolution.

Comments from members Roy Andrassy #10064L and Carl Cimprich #44232L against the motion were read out to the members present. Roland Worsfold questioned why only 6,000 of 10,000 members were counted. Response was that only current open members can vote.

Randy Hepner #73793 moved the resolution be accepted, seconded by Jeff Grainger #84534.

The motion was defeated 1487 for, 5888 against (7375 votes cast).

#3 – Zone Meeting Agenda – recommendation of the board is to support the resolution.

John Deadman #26518 moved the resolution be accepted, seconded by Frank Klenk #32001.

The motion carried 7767 for, 45 against (7812 votes cast).

#4 – Term Limits for Zone Directors – recommendation of the board is to not support the resolution.

Adam Maas #91845 moved the resolution be accepted, seconded by Cato Hansen #61451L.

The motion was defeated 1572 for, 6213 against (7785 votes cast).

#5 – Members in Good Standing Definition – recommendation of the board is to support the resolution.

John Deadman #26518 moved the resolution be accepted, seconded by Roy Rymer #61172L.

The motion carried 7839 for, 15 against (7854 votes cast).

#6 – Casual Vacancy of Officers – recommendation of the board is to support the resolution.

Steve Woloz #7877L moved the resolution be accepted, seconded by Roy Rymer #61172L.

The motion carried 7825 for, 10 against (7835 votes cast).

#7 – Standing Committee Appointment – recommendation of the board is to support the resolution.

Rodger Williams #9587L moved the resolution be accepted, seconded by Cato Hansen #61451L.

The motion carried 7828 for, 8 against (7836 votes cast).

#8 – Annual Zone Meeting Timing – recommendation of the board is to support the resolution.

John Deadman #26518 moved the resolution be accepted, seconded by Eric Harding #6330.

The motion carried 7847 for, 7 against (7854 votes cast).

#9 – Executive Committee – recommendation of the board is to support the resolution.

Grant Robinson #26561 moved the resolution be accepted, seconded by Frank Klenk #32001.

The motion carried 7818 for, 18 against (7836 votes cast).

#10 – Board Meetings – recommendation of the board is to support the resolution.

Roger Ganley #6426 moved the resolution be accepted, seconded by Roy Rymer #61172L.

The motion carried 6276 for, 1543 against (7819 votes cast).

#11 – Virtual Member Meetings – recommendation of the board is to support the resolution.

Grant Robinson #26561 moved the resolution be accepted, seconded by Jandro Latendresse #28518.

The motion carried 7016 for, 11 against (7027 votes cast).

Recommendations:

#1 – New Members – The board did not support the recommendation.

#2 – Leader Member Proposition – The board did not support the recommendation.

#3 – Appeal Process for club Field Closure – The board did not support the recommendation.

Closing Remarks: President Peter Schaffer once again thanked all for their participation at this first Virtual Annual General Meeting and encouraged comments from the attendees both good and bad so that the next meeting can be improved upon.

Date & Location of 2021 AGM: The 2021 AGM will be held Virtually on Saturday April 10th, 2021.

Adjourn: Randy Hepner #73793 moved the meeting adjourn, seconded by Grant Robinson #26561 at 2:23 pm.

Respectfully submitted,

Linda Patrick - Secretary/Treasurer

President's Report



THANKS TO MAAC'S UNSUNG HEROES

I want to take this opportunity to again thank the MAAC administrative staff, the Board of Directors, all those associated with MAAC's many committees, the webmaster, the Model Aviation Canada Magazine editor, the translators, the folks who write articles for our magazine, the Subject Matter Experts who provide professional advice and guidance on many topics, the club volunteers who do what needs to be done to keep their clubs a functioning happy place to go. Thanks to all of you for your time, commitment to the hobby, and to your organization. You are all amazing and I am proud to say, it gives me great pride to be associated with you.

LIFE IN THE FAST LANE

We as individuals and organizations are at a crossroads every day. Nothing is static. Change is always happening. Sometimes it occurs at a snail's pace, other times its impact is fast and jarring.

Our ability to continue to enjoy our hobby hinges on our ability and wiliness to anticipate and adapt to the new realities, as they evolve. The good news is that our member network of volunteers, who bring a wide variety of skill sets to the table, is constantly working at making it possible for all of us to continue to enjoy the hobby.

DIGITAL IN THE COVID-19 WORLD

The value and the robustness of MAAC's digital infrastructure has really shone through, as the COVID-19 pandemic progressed. It was something to be very proud of. Our organization never missed a beat. The staff were able to work remotely from their homes and online membership and club renewals were proceeded as per normal. The only stumbling block we had with providing service in the first few weeks of shutdown was with the phone lines, which has nothing to do with the MAAC digital operations. It was the phone companies' problem.

That challenge was also resolved. The MAAC operations continue flawlessly, be it remotely, or from the office site.

return on investment in the digital world

The website group continues its tradition of building better online administrative and communication tools for the members, the club administrators, the committees, the Board of Directors, and the MAAC administrative staff.

The move away from using paper, cheques, and traditional postal services has reduced costs by at least \$400,000 per year, decreased the time to complete a transaction, and has improved the quality and timeliness of communication for all of us in the association.

Approximately \$15,000 of the savings is reinvested in making annual improvements to MAAC's digital tools. It is not new additional money that appears in the website line item in the MAAC budgets; it is a small portion of the previous years' savings.

IMPLEMENTING MAAC'S TRANSPORT CANADA EXEMPTION

Many committees have been burning the midnight oil in revamping existing documents and creating new documents, in order that MAAC be in full compliance with the expectations described in MAAC's exemption from Transport Canada.

Upgrades have taken place in the Training documents, Safety Documents, Pilot Qualifications, and in By-laws and Policy. Work on "Airspace" in proximity to airfields, will begin in December 2020.

MEMBERSHIP CARD

The membership cards have been redesigned in order to accommodate the pilot qualifications and new safety wording.

VIRTUAL MEETINGS

MAAC has been an early adopter of the digital world. It would be fair to say that every MAAC administrative and communication activity has a digital component to it.

The Board of Directors and the committees have been using online meeting tools for a number of years. COVID has been the driving force to accelerate the move to digital member meetings. The digital world has made it possible to hold virtual Annual Zone Meetings (AZM) and Annual General meetings (AGMs). In fact, a number of zones held virtual AZMs in 2020.

The December 2020 AGM, was a virtual meeting, as will be the April 2021 AGM. The 2022 AGM will probably be a hybrid of in-person and virtual.

STATE OF THE HOBBY

The state of the Canadian model aviation hobby closely mirrors that of the USA and Britain. For example, the membership numbers in those organizations are in decline for the same reasons as the Canadian membership decline and all of these organizations are working hard to adjust to today's realities... sometimes known as 'rightsizing.'

The FAI membership numbers at the international level are also in decline and that organization has lost its two major corporate sponsors. They too are rightsizing.

This President's annual report now has more to do with tradition, than information exchange. There is nothing new here.

The bi-monthly President's column is used to keep everyone in the loop. In addition, all the minutes of all meetings are posted on the website for the members to read.

Furthermore, the Annual Operating Plans and the five-year Strategic Plan are on the website. Last, but not least, the directors and administration have been making good use of the e-blast tool to send info to all as needed.

The members have never had so much info on the various activities/initiatives, as they now have, and MAAC has never been so transparent as it is now.

There is no point in rehashing any of that info, in this report. Some folks are complaining of information overload.

Now, for what all of this is really about – go and have fun building and flying your Remotely Piloted Aircraft Systems (RPAS). That is my plan!

2020 Financial Report



MODEL AERONAUTICS ASSOCIATION OF CANADA FINANCIAL STATEMENTS - DECEMBER 31, 2020 INDEPENDENT AUDITOR'S REPORT

To: The Members of Model Aeronautics Association of Canada

Opinion

We have audited the financial statements of Model Aeronautics Association of Canada (the Corporation), which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2020, 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 (ASNPO).

Basis for Opinion

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 Corporation 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 13 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 prior to year end and ongoing subsequent to year end and its effect on the global economy. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as the Board of Directors determine 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, the Board of Directors are responsible for assessing the Corporation'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 the Board of Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 these 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Corporation'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 Corporation 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.

BLR LLP

Waterdown, Ontario
March 22, 2021

Chartered Professional Accountants
Licensed Public Accountants

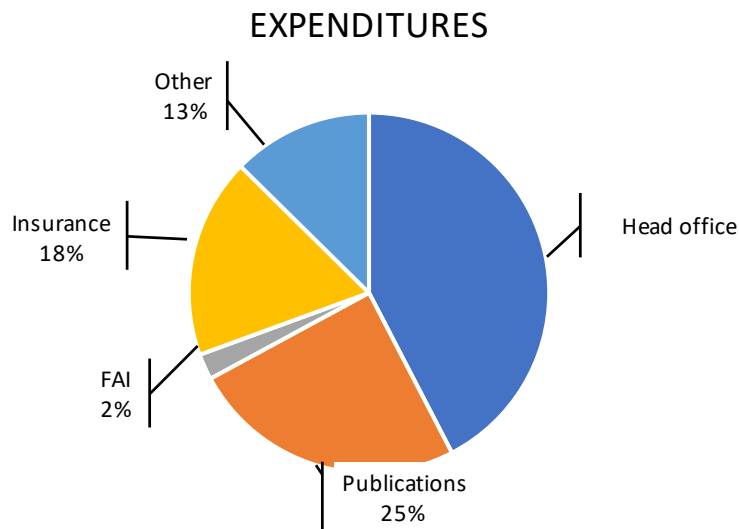
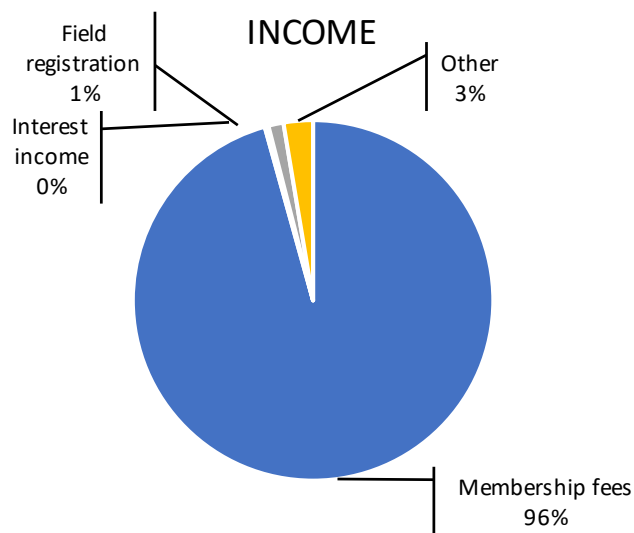
MODEL AERONAUTICS ASSOCIATION OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	2020	2019		2020	2019
ASSETS			LIABILITIES		
CURRENT			CURRENT		
Cash, note 2	\$1,082,497	\$ 1,062,210	Accounts payable and accrued liabilities	\$ 42,250	\$ 30,951
Cash - FAI Travel, note 3	-	19,069	Accounts payable and accrued liabilities - FAI Travel, note 3	-	19,069
Accounts receivable	89,191	-	Deferred membership fees, note 7	426,404	451,423
Inventory of merchandise	12,966	11,989	Due to Restricted Funds - Unrestricted Fund, note 4	20,198	2,107
Prepays	52,192	37,642	Government remittances payable	18,898	22,805
Due from Unrestricted Fund - Restricted Funds, note 4	20,198	2,107		<u>507,750</u>	526,355
Investment certificates, note 5	801,917	810,451			
	<u>2,058,961</u>	1,943,468	DEFERRED MEMBERSHIP FEES, note 7	<u>153,507</u>	154,890
PROPERTY AND EQUIPMENT, note 6	65,283	67,689		<u>661,257</u>	681,245
INVESTMENT CERTIFICATES, note 5	149,764	128,715			
	<u>\$ 2,274,008</u>	<u>\$ 2,139,872</u>	FUND BALANCES		
			UNRESTRICTED FUND	823,037	698,070
			INTERNALLY RESTRICTED FUNDS	733,984	704,946
			EXTERNALLY RESTRICTED FUNDS	55,730	55,611
				<u>1,612,751</u>	1,458,627
				<u>\$ 2,274,00</u>	<u>\$ 2,139,872</u>

On behalf of the Board of Directors

Director - Mike Anderson
Director - Cato Hansen

The accompanying notes form an integral part of these financial statements



STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Unrestricted Funds	Internally Restricted Funds Schedule 5	Externally Restricted Funds Schedule 5	Total 2020	Total 2019
BALANCE, beginning of year	\$ 698,070	\$ 704,946	\$ 55,611	\$1,458,627	\$ 1,426,488
Surplus of revenue over expenditures	131,067	22,084	973	154,124	32,139
Transfers, note 12	(6,100)	6,954	(854)	-	-
BALANCE, END OF YEAR	<u>\$ 823,037</u>	<u>\$ 733,984</u>	<u>\$ 55,730</u>	<u>\$ 1,612,751</u>	<u>\$ 1,458,627</u>

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Actual	2020 Budget (Note 9)	2019 Actual
REVENUE			
Membership fees	\$ 716,722	\$ 729,400	\$ 745,104
Insurance fees from members	11,000	-	-
Field registrations, charters and sanctions	10,119	9,000	9,136
Contributions - dedicated	6,100	-	6,574
Merchandise	2,627	1,000	3,854
Interest income	2,523	5,000	5,975
Advertising and magazine	25	-	142
	<u>749,116</u>	<u>744,400</u>	<u>770,785</u>
EXPENDITURES			
Amortization	3,755	-	3,562
Annual general meeting	11,440	36,700	29,654
Committees, Schedule 1	4,387	9,250	6,859
Communications plan	5,689	-	12,900
FAI, Schedule 2	15,528	32,550	25,870
Head office, Schedule 3	284,195	316,386	273,353
Insurance, Schedule 4	120,419	124,400	114,865
Merchandise	3,868	-	17,829
President	2,010	9,000	1,789
Publications	165,745	180,000	171,817
Zone directors	53,460	87,000	71,609
	<u>670,496</u>	<u>795,286</u>	<u>730,107</u>
SURPLUS (DEFICIT) OF REVENUE OVER EXPENDITURES BEFORE OTHER REVENUE			
	78,620	(50,886)	40,678
CANADA EMERGENCY WAGE SUBSIDY			
	<u>52,447</u>	-	-
SURPLUS OF REVENUE OVER EXPENDITURES FOR THE YEAR			
	\$ 131,067	\$ (50,886)	\$ 40,678

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2020	2019
CASH PROVIDED BY (USED FOR) OPERATIONS		
OPERATING ACTIVITIES		
Surplus of revenue over expenditures	\$ 131,067	\$ 40,678
Surplus (deficit) of revenue over expenditures - Restricted Funds	23,057	(8,539)
Amortization	3,755	3,562
	<u>157,879</u>	<u>35,701</u>
Change in non-cash operating working capital items		
Accounts receivable	(89,191)	-
Inventory of merchandise	(977)	17,818
Prepays	(14,550)	101,367
Accounts payable and accrued liabilities	11,299	(6,572)
Accounts payable and accrued liabilities - FAI Travel	(19,069)	(4,072)
Deferred membership fees	(26,402)	4,644
Government remittances payable	(3,907)	(4,420)
Due from Unrestricted Fund - Restricted Funds	(18,091)	(2,107)
Due to Restricted Funds - Unrestricted Fund	18,091	2,107
	<u>15,082</u>	<u>144,466</u>
INVESTING ACTIVITY		
Purchase of equipment	(1,349)	-
(Purchase of) proceeds from maturity of investment certificates	(12,515)	11,762
	<u>(13,864)</u>	<u>11,762</u>
CHANGE IN CASH POSITION		
	1,218	156,228
CASH POSITION, BEGINNING OF YEAR		
	<u>1,081,279</u>	<u>925,051</u>
CASH POSITION, END OF YEAR		
	<u>\$ 1,082,497</u>	<u>\$ 1,081,279</u>
CASH POSITION CONSISTS OF:		
Cash	\$ 1,082,497	\$ 1,062,210
Cash - FAI Travel	-	19,069
	<u>\$ 1,082,497</u>	<u>\$ 1,081,279</u>

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NATURE OF OPERATIONS

Model Aeronautics Association of Canada (the Corporation) was incorporated without share capital under letters of patent under the laws of the Canada in June 1949 to foster the advancement of model aeronautics on a national basis. It is a not-for-profit organization and according to its charter, the activities of the Corporation should be carried on without gain to its members. Any excess of revenue over expenditures or any accumulations thereof should be used to promote its objectives. The Corporation is exempt from income tax under section 149 of the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

The Corporation applies the Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting

The revenue and expenditures related to unrestricted donations are reported in the Operating Fund. The Restricted Funds report amounts for which the use is restricted by the donors, or internally restricted by the Board of Directors, and related investment income for the fund.

Externally Restricted Funds:

The Archives Fund is for enhancing and maintaining the archives.

The Competition Fund is for encouraging grass roots development to higher level competition.

The F3J Fund is for F3J Team entry fees.

The Flying Field Protection Fund is for preserving flying fields by supporting clubs with legal or other costs.

Externally Restricted Funds: (Continued)

The Museum Fund's original purpose was to establish the museum. Discussion is ongoing regarding reallocation.

The Ottawa Valley Zone Fun Fly is for excess zone funds allocated for zone activities in the Ottawa area in the future.

Internally Restricted Funds:

The Archives/Books Fund is for the purchase of educational material.

The Computers Fund is to accumulate funds for the eventual replacement of office or zone computers.

The Contingency Fund is a self insurance fund in case of an unforeseen event.

The Database Fund is used for building and maintaining the database.

The Nationals Fund is for fostering national competition events.

The Public Relations Fund is for enhancing public relations based on programs presented by the public relations committee.

The Special Projects Fund is for planned projects for the upcoming year.

The World Championships Host Fund is for hosting a Canadian based world championship event.

The Zone J Fund is for excess zone funds allocated for zone activities in the St. Lawrence area in the future.

The Bursary Fund is to be used for providing an annual scholarship to a student in the field of aviation.

The Deductible Fund is for covering claims under \$10,000 but over the annual budget. Amounts from the budget not used are allocated to the fund. The balance in this fund is nil at year end.

The FAI (Federation Aeronautique Internationale) Travel Fund represents funds set aside to support teams travelling to world competitions representing the Corporation and Canada.

Building and Equipment Fund is used to cover the cost of specific repairs to the building and repairs or replacement of equipment.

(b) Revenue recognition

The Corporation follows the restricted fund method of accounting for contributions.

Deferred revenue represents membership fees which are reported as revenue in the calendar year to which they apply, which is when the related expenditure is incurred. Fees received in advance are reported as deferred membership fees and included in liabilities.

The Corporation also receives monies from its members to cover entrance fees for specific events, donations to help send other individuals to events and the sale of merchandise. The entrance fees and donations are recorded when the monies are received. Sales of merchandise are recorded when the goods are shipped.

Interest and other revenue are recognized as revenue of the relevant fund when earned.

(c) Property and equipment

Property and equipment are recorded at cost. The Corporation provides for amortization using the following methods at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Building	5 % declining balance
Computer Equipment	55% declining balance
Furniture	5 year straight-line
Museum	5% declining balance

(d) Inventory of merchandise

Inventory, consisting of finished goods, is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

(e) Contributed services

Directors and members volunteer their time to assist in the Corporation's activities. While these services benefit the Corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(f) Financial instruments

(i) Measurement of financial instruments

The Corporation initially measures its financial assets and liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in surplus (deficit) of revenue over expenditures in the period incurred.

Financial assets measured at amortized cost on a straight line basis include cash, investment certificates and interfund receivables.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and interfund payables.

(ii) Impairment

For financial assets measured at cost or amortized cost, the Corporation determines whether there are indications of possible impairment. When there is an indication of impairment, and the Corporation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in surplus (deficit) of revenue over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in surplus (deficit) of revenue over expenditures.

(iii) Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

(g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Actual results may vary from the current estimates. Estimates are used in inventory, allowance for doubtful accounts, accrued interest, accrued liabilities, deferred membership fees, useful lives of capital assets and contingent liabilities. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(h) Investments

The Corporation's investment activities are governed by investment policies set by the Board of Directors. The principle of the investment policy is to obtain a conservative return on investments..

2. CASH

	2020	2019
Cash	\$ 926,125	\$ 928,351
Cash - Externally restricted	49,155	48,715
Cash - Internally restricted	<u>107,217</u>	<u>85,144</u>
	<u>\$1,082,497</u>	<u>\$ 1,062,210</u>

3. FAI TRAVEL

During the current year, the FAI travel account was moved to a fund internally restricted by the Board of Directors. The purpose of the FAI Travel Fund is included in Note 1 to the financial statements. This has resulted in \$19,819 recorded as a direct increase in net assets of the FAI Travel Fund in the current year.

4. DUE FROM UNRESTRICTED FUND - RESTRICTED FUNDS

	2020	2019
Due from Unrestricted Fund		
- Internally Restricted Funds	\$ 19,726	\$ 1,224
Due from Unrestricted Fund		
- Externally Restricted Funds	<u>472</u>	<u>883</u>
	<u>\$ 20,198</u>	<u>\$ 2,107</u>

The above balances are non-interest bearing with no set terms of repayment.

5. INVESTMENT CERTIFICATES

The short-term unrestricted investments are Guaranteed Investment Certificates (GICs) issued by the Canadian Imperial Bank of Commerce (CIBC) with maturity dates ranging from June 2021 to December 2021. Interest rates range from 0.60% to 2.10% per annum. The short-term restricted investments are made up of 16 GICs issued by CIBC with maturity dates ranging from May 2021 to December 2021. Interest rates range from 0.25% to 1.25% per annum.

The long-term unrestricted investment is one GIC issued by CIBC with a maturity date of December 2022. Interest rate is 0.65% per annum. An additional long-term unrestricted investment is a Scotiabank GIC for \$25,000 with a maturity date of March 2023 with interest at 2.75% per annum. This GIC is security for the Corporation's credit card with a maximum limit of \$25,000. The GIC has a value of \$28,636 at maturity. The balance on the Scotiabank credit card at year end is \$nil (2019 - \$635). The long-term internally restricted investments are GICs issued by CIBC with maturity dates of April 2022 and August 2022 and provide annually interest of 1.45% and 0.85% respectively.

5. INVESTMENT CERTIFICATES (continued)

	2020	2019
Short term		
GICs - unrestricted	\$ 224,490	\$ 225,620
GICs - externally restricted	6,052	5,913
GICs - internally restricted	561,298	561,891
GICs interest receivable		
- unrestricted	4,035	4,659
GICs interest receivable		
- externally restricted	52	101
GICs interest receivable		
- internally restricted	<u>5,990</u>	<u>12,267</u>
	<u>\$ 801,917</u>	<u>\$ 810,451</u>
Long term		
GICs - unrestricted	\$ 90,194	\$ 84,296
GICs - externally restricted	-	-
GICs - internally restricted	<u>59,570</u>	<u>44,419</u>
	<u>\$ 149,764</u>	<u>\$ 128,715</u>

6. PROPERTY AND EQUIPMENT

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Building	\$ 270,049	\$ 209,034	\$ 270,049	\$ 205,823
Computer equipment	1,349	371	-	-
Furniture and fixtures	15,800	15,800	15,800	15,800
Museum	12,069	8,779	12,069	8,606
	<u>299,267</u>	<u>233,984</u>	<u>297,918</u>	<u>230,229</u>

Net book value \$ 65,283 \$ 67,689

7. DEFERRED MEMBERSHIP FEES

Deferred membership fees are amounts received in advance of the period to which they relate. Membership fees paid in advance which cover a membership period greater than one year from December 31, 2020 have been classified as a long-term liability for financial statement purposes.

8. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. In the opinion of management the Corporation is not exposed to significant risks arising from its financial instruments other than as described below. The risk assessment is consistent with the prior year.

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from the potential that members due not pay their annual fees. This risk is minimized because the Corporation can revoke their membership. In the opinion of management the credit risk exposure to the Corporation is low and is not material.

(b) Liquidity risk

The Corporation does have a liquidity risk in the accounts payable and accrued liabilities of \$42,250 (2019 - \$30,951). Liquidity risk is the risk that the Corporation cannot repay its obligations when they become due to its creditors. The Corporation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate cash flow to repay trade creditors as they become due. In the opinion of management the liquidity risk exposure to the Corporation is low and is not material.

(c) Interest rate risk

The Corporation is exposed to interest rate risk as changes in interest rates can affect the value of its investment certificates. The Corporation only holds investments in GICs. In the opinion of management the interest rate risk exposure to the Corporation is low and is not material.

9. BUDGET AMOUNTS

The budget figures shown for comparative purposes on the statement of operations have been recorded from the annual budget prepared by management and the Board of Directors without audit or review.

10. RELATED PARTY TRANSACTIONS

The Corporation is related to all members of the Board of Directors based on their control of the management of the Corporation. The Board of Directors receives no compensation for their positions on the Board.

11. CANADA EMERGENCY WAGE SUBSIDY (CEWS)

During the current year, the Corporation's received assistance from the Government of Canada in the form of CEWS. The amount received was \$52,447 (2019 - \$nil). This assistance is related to the Corporation's wages and has been included as other revenue in the statement of operations.

12. INTERFUND TRANSFERS

During the year, a total amount of \$6,100 (2019 - \$6,574) was transferred from the Unrestricted Fund to restricted funds as an annual dedicated contribution.

13. MATERIAL UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. Although this commenced before the current year end, it has continued after year end and the potential economic effects within the Corporation's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Corporation's operations.

The extent of the impact of this outbreak and related containment measures on the Corporation's operations cannot be reliably estimated at this time.

SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Actual	2020 Budget (Note 9)	2019 Actual
SCHEDULE OF COMMITTEE EXPENDITURES			
			Schedule 1
Archives committee	\$ -	\$ 250	\$ -
French translation and general	<u>4,387</u>	<u>9,000</u>	<u>6,859</u>
	<u>\$ 4,387</u>	<u>\$ 9,250</u>	<u>\$ 6,859</u>

	2020 Actual	2020 Budget (Note 9)	2019 Actual
SCHEDULE OF FEDERATION AERONAUTIQUE INTERNATIONALE (FAI) EXPENDITURES			
			Schedule 2
Aero Club of Canada	\$ 14,486	\$ 14,800	\$ 14,125
Commission Internationale Aeromodelling (CIAM)	1,042	2,750	2,525
Federation Aeronautique Internationale (FAI) Travel	<u>-</u>	<u>15,000</u>	<u>9,220</u>
	<u>\$ 15,528</u>	<u>\$ 32,550</u>	<u>\$ 25,870</u>

	2020 Actual	2020 Budget (Note 9)	2019 Actual
SCHEDULE OF HEAD OFFICE EXPENDITURES			
			Schedule 3
Credit card charges	\$ 53,471	\$ 49,500	\$ 48,073
Equipment maintenance	16,358	15,000	13,162
Maintenance, fees and utilities	19,537	22,600	21,831
Office and general	29,853	61,936	32,510
Professional fees	23,585	13,500	15,869
Public relations	4,094	8,500	8,293
Salaries and benefits	118,328	119,350	118,770
Stationery and printing	5,627	6,000	4,788
Website maintenance	<u>13,342</u>	<u>20,000</u>	<u>10,057</u>
	<u>\$ 284,195</u>	<u>\$ 316,386</u>	<u>\$ 273,353</u>

	2020 Actual	2020 Budget (Note 9)	2019 Actual
SCHEDULE OF INSURANCE EXPENDITURES			
			Schedule 4
Building and equipment	\$ 2,593	\$ 2,600	\$ 2,255
Directors and officers	1,534	1,500	1,460
Members	<u>116,292</u>	<u>120,300</u>	<u>111,150</u>
	<u>\$ 120,419</u>	<u>\$ 124,400</u>	<u>\$ 114,865</u>

2021 Board Approved Budget



	2020 Budget	December 31/20	2021 Board Approved Budget
MAAC General Account			
Income:			
Membership	729,400	716,722	672,699
Field Registration	9,000	10,119	10,000
Sales of goods & Shipping	1,000	2,627	500
Mac Mag	-	25	-
Club Directors and Officers Policy	-	-	11,000
Misc.	-	11,000	-
Term Deposit Interest - General	5,000	2,523	2,500
Contributions	-	6,100	-
 SUB TOTAL	 <u>744,400</u>	 <u>749,116</u>	 <u>696,699</u>
Less Deposits to dedicated reserves	-		
Less Cost of Sales Inventory	-	-3,869	-
 TOTAL INCOME:	 <u>744,400</u>	 <u>745,247</u>	 <u>696,699</u>
 Expenditures:			
Office			
Building	22,600	19,535	22,724
Staff	119,350	117,321	121,592
Equipment	13,500	13,148	13,800
Postage	56,500	42,256	51,500
Professional Fees	61,500	50,618	52,500
Printing /Publishing	146,000	139,031	145,000
Public Relations/Advertising	6,000	1,876	6,000
Other	59,250	70,045	61,350
Insurance	114,250	120,419	130,500
FAI	32,250	15,349	31,850
RABC	7,686	5,583	7,686
Transport Canada	1,500	87	1,500
AGM	37,000	11,620	20,300
Zone Directors	63,000	37,100	63,000
Zone Promotions	24,000	16,360	24,000
Executive Committee			
President & Vice President	9,000	2,010	9,000
Other Competition Funding	-	-	-
Committees	1,250	514	950
Special Projects/Dedicated Funds	-	-	-
 TOTAL EXPENSES	 <u>774,636</u>	 <u>662,872</u>	 <u>763,252</u>
 SURPLUS/(DEFICIT)	 <u>(30,236)</u>	 <u>82,375</u>	 <u>(66,553)</u>
 CEWS		52,447	-
Depreciation		-3,755	-
 NET INCOME / (LOSS)		 <u>131,067</u>	 <u>(66,553)</u>

Resolutions and Resolutions for Consideration at the 2021 AGM



Prepared by Keith Bennett, Chair Constitution Advisory Group on behalf of the Constitution Advisory Group members, Fred Messacar, Roger Bélanger and David Loveday.

Master copy and previous version archives held by Keith Bennett.

This report has been prepared for the Board of Directors in preparing their advice to members on how to vote on Zone Resolutions at the AGM and for consideration and decision on Zone Recommendations. The report was prepared by the Constitution Advisory Group Chair and reviewed by the Office Manager and Constitution Advisory Group members. While there is not unanimous agreement on all report recommendations to the board, there is understanding on how and why they were arrived at. Once the board has made its decisions, the report will be amended accordingly and ready for circulation to members and included in the Notice of Meeting for the AGM.

Resolutions and Recommendations from the 2020 Annual Zone Meetings have not knowingly been altered.

Zone Resolutions approved by majority vote at a duly constituted Annual Zone Meeting must be included in the agenda of the ensuing Annual General Meeting. They are considered by the Board of Directors and the board provides advice to members on whether to vote for or against them. The recommendation of the board does not bind any member to vote in alignment with the Board's recommendation.

Zone Recommendations approved by majority vote at a duly constituted Annual General Meeting are considered by the Board of Directors, who are charged with determining what actions if any will result from each Zone Recommendation. The results of the Boards decisions are announced at the AGM.

Zone J St. Lawrence

1. Weighted Voting at Board Meetings

Be it RESOLVED:

THAT by-Law 15 (a) be replaced with the following:

Each director is authorized to exercise their vote according to the following weighted basis in accordance with their zone membership.

- 0 to 499 members 1 vote
- 500 to 999 members 2 votes
- 1,000 to 1,499 members 3 votes
- 1,500 or more 4 votes

Rationale: The weight of the vote of a zone director at a Board of Directors meeting should carry a proportional weight value per the number of members in each zone, in a similar fashion as is done at our Annual General Meeting. The formula suggested above will simplify the counting process.

Constitution Advisory Group Policy Analysis

Opinion

The fundamental role of a director is to govern a corporation. This resolution asks that MAAC provide greater voting powers to some directors at a Board of Directors Meeting which is contrary to the Industry Canada Primer for Directors which states, "where the bylaws of the corporation provide voting rights to directors, such voting rights must be equal for all voting directors."

The concept of one director of a not-for-profit corporation, having greater voting power at the board table, based on the membership of a zone is contrary to the concept of a director's fiduciary duty to the corporation. Every Director and Officer has a duty to act honestly and in good faith with a view to the best interests of the Corporation not just the members they represent.

The argument presented in the resolution, in support of a director carrying a proportional weighted value like the AGM is contrary to the concept of acting

in the best interests of the corporation vs. acting in the best interests in the members represented. Directors exercising the unused votes of the zones, vote in what they consider to be the best interests of members because it is a Members Meeting and not a Board of Directors Meeting. The new virtual AGM's with online voting, combined with new online tools, to conveniently, allow members to manage absentee voting by closed proxy and assignment of open proxy votes should resolve the quorum issue for MAAC at AGM's. Policy Analysis

The Act Bill c.23 is silent in defining the number of votes a director may have at a Board of Directors meeting. The language used throughout the Act when discussing quorum 136.2, voting, majority vote and dissent based on one vote for each director.

By-laws 15.a states "Each director is authorized to exercise one (1) vote at any meeting of the Board."

Policy Manual Silent on voting rights of directors.

Primer for Directors of Not-for-profit Corporations published by Industry Canada includes on Page 48 the following guidance.

"All directors of a federal not-for-profit corporation, except ex-officio and honorary directors, have the right to vote at meetings of the board of directors. The bylaws of the corporation may also, however, give ex-officio and honorary directors the right to vote. However, where the bylaws of the corporation provide voting rights to directors, such voting rights must be equal for all voting directors. This means that such directors may not be given either votes that are weighted differently than other votes (for instance, double or half votes) or the right to vote only on certain specified matters (for instance, giving an honorary treasurer a vote only on financial matters)."

The Board of Directors advises the members to vote **AGAINST this Resolution.**

2. Adding "New Business" at all Board Meetings

Be it RESOLVED:

THAT per Kerr · King, Concise Procedures for Meetings (page 2) the following be added to the By-Laws as section 14 (b).

All Board of Directors have the right to present "new business" which shall be inserted into the agenda of the next scheduled Board of Directors Meeting. The president shall include such request.

Rationale: The president shall be required to include a request for insertion of the item "new business" into the meeting agenda which is presented within 7 days prior to a regularly scheduled meeting of the board wherein the director believes that this new item is of significant importance to MAAC.

Constitution Advisory Group Policy Analysis

Opinion

MAAC members approved a set of protocols for Board of director meetings at the 2020 AGM. They discuss how the agenda of the board is prepared and prioritized and includes the method that a director may propose and submit business for consideration.

The Policy Manual and Procedures from Kerr · King provide prescribed methods for a director to introduce new items to the ongoing agenda of the board. It is not reasonable to grant the power for an individual director to force an item into a particular meeting agenda as it is contrary to the concept of a board exercising its authority as a majority. There is also a risk of usurping more important business, of the association. Directors may use the methods, provided in the Policy Manual to propose items of business but are not guaranteed when or if the proposed business item will be considered. A director may propose an amendment to add a business item to the agenda, during the approval of the agenda. If that amendment is passed by a majority vote of quorum the business item is added to the agenda.

Policy Analysis

The Act Bill c.23 is silent on the topic by which an agenda is developed for a board of directors meeting.

By-laws are silent on the topic by which an agenda is developed for a board of directors meeting.

Policy Manual 9.10.2 Developing the Agenda describes the process and authority to develop the board agenda. Section (c) describes how a director may put forward new business.

“(c) Agenda items and accompanying documents may be submitted to the chair in advance, by staff, directors, chairs of committees, advisory groups and appointees, so that they can be prioritized for inclusion in an upcoming meeting agenda. A written motion, to support the proposed agenda item, should be provided but is not mandatory.”

“(d) Other business is reserved for matters that arise from the minutes that requires a more fulsome discussion and items added to the agenda by approval of a motion to amend the circulated agenda. No decisions may be made on a substantive business matter under other business. When all the business on the approved agenda has been dealt with and there is time remaining, the chair may invite the directors to raise any other items of a routine nature or other matters that do not require formal notice.”

Kerr · King § 89. Other Business provides the method to add to the agenda by approval of a motion to add items to the approved agenda. It should be noted that if the matter is of a substantial nature no decision can be taken because substantial motions require proper notice.

The Board of Directors advises the members to vote AGAINST this Resolution.

3. Prioritization of Items Regarding the Agenda of the Board of Directors Meetings

Be it RESOLVED:

THAT the following be added to the Policy Manual as section 9.9 (b)

The president of MAAC Shall consult with the Board of Directors regarding the order of importance of all items to be place on the meeting agendas. This Shall be done monthly but more frequently if deemed necessary.

Rationale: Members of the board are elected with the mandate to assist in the governance of MAAC. The president Shall encourage all Board of Directors members to provide their input as to the relative importance and sequence of business items to be discussed at upcoming Board of Director meetings.

Constitution Advisory Group Policy Analysis

Opinion

The policy manual states that Board meeting agendas are developed to reflect the immediate and, to some extent, the long-term needs of the association and delegates that responsibility to the Chair of the Board with the assistance of the Secretary. The Chair of the board and the Secretary are most aware of immediate needs of the association.

Consultation with the board from time to time on Board Meeting priorities is a good practice however, embedding a monthly or more frequent requirement for such consultation could use valuable Board Meeting time with little change to the priorities of the corporation. The Board of Directors exercises its authority by majority and that power extends to the boards ongoing agenda. The board by approval of a motion, could elevate any matter it thought appropriate or review the boards priorities.

Policy Analysis

The Act Bill c.23 is silent on this topic.

By-laws are silent on this topic.

Policy Manual 9.10.2 Developing the Agenda describes the process and authority to develop the board agenda.

“(b) The agenda is developed to reflect the immediate and, to some extent, the long-term needs of the association. It shall be tailored to fit the time available for the meeting. Often there is too much business to deal with at a single meeting, so the process of developing the agenda involves setting priorities and realistically assessing what can be accomplished during a meeting.”

Kerr · King § 89. Other Business provides the method to add a business matter to the agenda, by approval of a motion to add an item to the approved agenda. It should be noted that if the matter is of a substantial nature no decision can be taken because substantial motions require proper notice.

The Board of Directors advises the members to vote AGAINST this Resolution.

4. Virtual Meetings

Be it RESOLVED:

THAT the following be added to the Policy Manual and the By Laws in the appropriate sections.

All association meetings may be held using virtual electronic means. Access to the meetings shall be available to members of the organization as follows:

- Annual General Meetings – all members
- Board of Director meetings – all members
- Executive Committee Meetings – all members
- Zone meetings – all eligible zone members

Rationale: Due to the Covid-19 pandemic and possible other health issues preventing public gatherings and the advancements in electronic technologies, MAAC should sanction holding all association meetings on a virtual basis in a manner that all eligible members have the opportunity to attend.

Constitution Advisory Group Policy Analysis

Opinion

The use of virtual members meetings has been permitted in the Policy Manual for many years and was recently moved to the By-laws to meet requirements of the Canada Not-for-profit Corporations Act. By-law 7.g Participation by Electronic Means at Members' Meetings was ratified by the members at the 2020 AGM. Board of Director and Executive meetings are currently held electronically and accessible to members. There is no action required because the intent of this resolution is already permitted in MAAC's corporate documents.

Policy Analysis

The Act Bill c.23 Section 159 allows virtual meetings if permitted in a corporation's by-laws, which MAAC has done.

By-laws Participation by Electronic Means at Members' Meetings was previously part of the Policy Manual and was moved to the by-laws to be compliant with the Act and ratified by the members at the 2020 AGM.

Policy Manual now silent on the matter.

Kerr · King not relevant because it is covered under the by-laws.

The Board of Directors advise the members to that no action is required on this resolution and to vote AGAINST this Resolution.

5. Selecting Best of Class Software for Virtual Meetings

Be it RESOLVED:

THAT due to the nature of software development, the exact program to be selected for a virtual meeting may be changed in order to best serve the needs of the group size for the meeting. As of September 2020, for groups of less than 100 the format shall be zoom meeting and 100 or greater zoom webinar. This virtual software may be replaced by a board decision based on the evolution of improved mass communication tools for conferences of this type.

Rationale: Due to software evolution, MAAC needs to be kept up to date in using best of class tools for virtual meetings.

Constitution Advisory Group Policy Analysis

Opinion

The technology platforms available for virtual meetings are extensive and should not be arbitrarily restricted by policy. Zoom is one of many similar free or by subscription applications for hosting meetings. The Board of Directors has successfully used Gotomeeting.com for its meetings and the 2020 AGM utilized a meeting hosting service. Those with the responsibility for hosting meetings of members virtually should be free to use a technology platform that they are familiar with and confident will provide good results.

Policy Analysis

The Act Bill c.23 Section 159 enables the use of technology for meetings of members.

By-laws 7.g. enables MAAC to hold virtual meetings of members, AGM and AZM.

Policy Manual now silent on the matter.

Kerr · King not relevant because it is covered under the by-laws.

The Board of Directors advises the members to vote **AGAINST** this Resolution.

6. Change Composition of the MAAC BOD Executive Committee

Be it RESOLVED:

THAT the composition of the MAAC BOD Executive Committee be enlarged to include all current board members.

Rationale: The reason for the establishment of the executive committee no longer exists in any practical sense. There was a time when gathering the whole board was extremely difficult and could only happen with substantial pre-arrangement. Telephone conference calls were possible, but expensive and not entirely satisfactory. A smaller executive committee made it practical for decisions to be made more quickly - with the proviso that the whole board could revisit any such decision when they met.

Modern Electronic meeting capability such as GO TO Meeting, ZOOM, provides the capability for the whole board to meet virtually, and to discuss via email, text, etc., is now so well developed that all members can be aware of, and contribute to, all decisions directly and in timely fashion. Notification of BOD and Executive Committee is the same – 48 hours. This capability will only increase with the passage of time.

In summary, an executive committee comprising only a select number of members must be enlarged to include all board members.

Constitution Advisory Group Policy Analysis

Opinion

This resolution suggests that the Executive Committee be enlarged to include all board members, however it effectively dissolves the Executive Committee because the Executive Committee is a sub-set of the board. The Executive Committee has delegated responsibility and authority to supervise and maintain the operations of the association and recommend changes to be addressed when the board is in session and conduct the business of the association generally through the secretary-treasurer. The origins of the Executive Committee go back to the days when the board met once a year during the three days preceding the Annual General Meeting. Regular virtual meetings have, for the most part, replaced those once-a-year three-day meetings. Day to day supervision of the association is more efficient when carried out by a smaller group vs. thirteen board members and it is easier to convene a meeting with a small group to deal with emergent issues until the board is in session. The board has commented over the past few years about the need to reduce the growing workload of the directors to allow them to focus on zone matters.

A decision such as this could have unintended consequences such as increasing the board's workload dealing with day-to-day activities of the association. If the board is interested in pursuing the elimination of the Executive Committee, it should consider convening an ad-hoc committee to study the impact on the board and make a recommendation.

Policy Analysis

The Act Bill c.23 138 (1) Directors of a corporation may appoint from their number a managing director or a committee of directors and delegate to the managing director or committee any of the powers of the directors. 138 (2) Sets limitations on committees.

By-laws are silent on the role of the Executive Committee.

Policy Manual 11. Sets out the duties, structure, term, delegated authority, meetings, quorum, removal from committee and the filling of vacancies.

Kerr · King defines the Executive Committee as a committee appointed or elected by the board of directors, or by the general membership, to deal with everyday matters within guidelines established by the membership.

The Board of Directors advises the members to vote **AGAINST** this Resolution.

7. MAAC Flying Field Sanctions

Be it RESOLVED:

THAT the following be added to the Policy Manual:

Once a zone director removes a sanction for a given flying field based on the risk factors and which contravenes the MAAC safety guidelines, this removal of the sanction cannot be reinstated unless a complete new field inspection occurs in which said inspection by a qualified member of MAAC demonstrates sufficient evidence that the changes to the field have been permanently made so that the site now meets the required safety standards. Once the changes having been approved, the zone director may grant a new sanction.

Note: The MAAC safety guidelines already meet or exceed the Transport Canada guidelines.

Rationale: Once a zone director decertifies the sanction for a given flying field based on the risk factors demonstrating that said field contravenes the MAAC safety guidelines, this removal of the sanction cannot be reinstated unless a complete new field inspection occurs in which said inspection by a qualified officer of MAAC demonstrates sufficient evidence that the changes to the field have been permanently made. Once these changes have been fully implemented and approved by a safety officer, then the zone director may grant a new sanction.

The purpose of this resolution is to ensure that flying fields which do not meet MAAC requirements can be brought up to and meet the required standards of safety.

Constitution Advisory Group Policy Analysis

Opinion

This zone resolution predates an amendment to the MAAC Safety Code dealing with de-sanctioning, deeming a flying site unsafe and re-sanctioning of a flying site through MPPD 11 – Model Aircraft Flying Site De-sanctioning.

Policy Analysis

The Act Bill c.23 Silent on this matter.

By-laws are silent this matter.

Policy Manual 7.3.01 Responsibility states “Each director of a national organization zone shall be responsible for the management of the affairs of such zone as may be prescribed in the by-laws and Policy Manual and further policies of the corporation.”

Policy 14.1.11 Zone Director states “Arbitrate on all matters of concern solely within the zone.”

MAAC Safety Code MPPD 6 – Outdoor Model Aircraft Flying Field Sanctioning, sections 4.5 and 5.1 specifically indicate that sanctioning of a flying site must be vetted and approved by the appropriate zone director.

MPPD 6 section 5.5 states “An existing MAAC sanctioned Club Flying field may have its sanction removed by MAAC if the Club is found to be willfully or otherwise not complying with any part of the TC Exemption, or other MAAC requirements.”

MPPD 11 Model Aircraft Flying Site De-sanctioning was created specifically to address the de-sanctioning of flying sites, deeming a flying site unsafe and re-sanctioning of a flying site.

Kerr · King is silent on this matter.

The Board of Directors advises the members to that no action is required on this resolution and to vote **AGAINST** this Resolution.

8. Reasonable Relief

Be it RESOLVED:

THAT that the following be added to the Policy Manual, Section Ethics, Paragraphs Referring to Duty of Care:

A MAAC Board of Director Member, who, due to extenuating circumstances, is unable to abide by their Duty of Care regarding a MAAC policy guideline may be entitled to a reasonable accommodation of forgiveness for such inability to do so. Reasonable justification may include personal, family, or business issues which distracted or prevented the Board of Director Member from otherwise normally attending to his duties as a Board of Director Member in a timely fashion. The Board of Director Member in question may be expected to present a detailed explanation in the form of a BRIEF explaining said situation.

The BRIEF shall be based on traceable, verifiable, and factual information. The assessment will be done by an independent ad-hoc committee of 3 persons nominated by the Board of Directors specifically for this situation. Upon completion of the assessment the committee will present their findings to the Board of Directors, to be voted on by the Board of Directors. Forgiveness will be granted by a simple 51 % majority vote of the Board of Directors in favour to absolve the Board of Director Member for said oversight.

Rationale: Members of the Board of Directors all act as volunteers and give of their time without compensation. Such members may be taken up in a conflict of use of their personal time which bears a higher priority in their life, for justifiable reason at a particular time for a temporary basis. Such reasons may include managing urgent and pressing personal, family or business needs beyond their control at a given time which needs prevent them from carrying out their Duty of Care.

Members of the board are elected to directly assist in the governance of MAAC. Therefore, the president must encourage all Board of Director members to provide their input as to the relative importance and sequence of business to be discussed at upcoming board meetings.

Example 1: Distraction due to involvement with sale of business)

Example 2: Preoccupation for reasons of health e.g., COVID-19.

Constitution Advisory Group Policy Analysis

Opinion

This resolution proposes that a director, who has signed the Director's Code of Ethics and has a fiduciary duty of Care to MAAC, as set out in the MAAC Code of Ethics for Directors, who does not fulfill that duty may ask for forgiveness from the board for their actions.

Directors are required to exercise their power with competence (or skill) and diligence in the best interest of the corporation. They owe what is called a "fiduciary duty" to the corporation. The duty is "fiduciary" because the obligation to act in the best interest of the corporation, at its core, is an obligation of loyalty, honesty, and good faith. A director's fiduciary duty is divided into two main branches, the duty of Care and the duty of Loyalty. The duty of Care is comprised of the duty of skill or competence, which refers to the obligation of directors to educate themselves about the corporation's mandate and all aspects of its operations and the duty of diligence to attend meetings of the board whenever possible and other important functions.

The Code of Ethics and a director's Fiduciary Duty is not negotiable and a director who is unable to fulfill those duties, for whatever reason, has an obligation to the corporation to step down. A director who fails to live up to the Code of Ethics may be subject to Policy 6.4 Disciplinary Procedures Board of Directors.

Policy Analysis

The Act Bill c.23 Section 148 of the Act deals with a director's fiduciary duty.

Section 126 (1) states "The following persons are disqualified from being a director of a corporation, subsection (b) anyone who is incapable."

By-law 13. Directors and Officers sets out the same requirements as the Act Section 148.

Policy Manual 6.4 sets out the procedures for disciplining a director who

infringes the Code of Ethics.

Policy 24. Code of ethics requires that directors and officers Shall sign and abide by the Code of Ethics.

Zone Directors Manual (online) Contains the Code of Ethics outlining a director's fiduciary duties that a director is required to sign.

Kerr · King not relevant in this discussion because the subject is covered in the Act, By-laws and MAAC Code of Ethics for Directors.

The Board of Directors advises the members to vote **AGAINST this Resolution.**

9. MAC Magazine Editor's Publishing Guidelines

Be it RESOLVED:

THAT neither the executive committee nor the board of directors will have the right to censor the content of articles or information presented to the editor for publication in the MAAC magazine. The editor of the MAAC magazine shall be granted the freedom and independence to publish articles in the MAAC Magazine that may contain content that expresses a contrarian view to current MAAC policy or procedure. The underlying principles he must follow is that the content does not contain slander, insulting, discourteous comment and does not contradict MAAC safety guidelines:

Rationale:

- 1. Freedom of speech, freedom of the press, and freedom to express a view that may not align directly with current MAAC policy is a fundamental right of a free and democratic society.*
- 2. Providing that the editor publishes information which does not slander, debase an individual, organization or government agency, or violates, or contradicts MAAC safety guidelines, the editor should be allowed to independently decide on information to publish without interference from the MAAC executive or board of directors.*
- 3. Providing that such information, may be presented in a section of the magazine entitled.*

LETTERS TO THE EDITOR

This will clearly indicate to the reader that the content published represents opinions of others and not that of the editor.

Constitution Advisory Group Policy Analysis

Opinion

In its current form, MAC Magazine is meant to be read by members and interested parties, mainly dealing with its own activities and to carry MAAC's message to members. The editorial position must be consistent with MAAC policy and must be seen as an official source.

The current agreement with Morison Communications gives the publisher full editorial control but allows for consultation with the executive committee where the publisher is not sure about the appropriateness of submitted content. This consultation is initiated by the publisher alone.

While there may be an argument for a move to an arms-length publication that 'reports on' MAAC, that isn't what the MAC Magazine is today, it would not be prudent to unilaterally make changes to editorial policy for MAAC's official magazine for members without careful consideration by subject matter experts.

Policy Analysis

The Act Bill c.23 Not relevant in this area.

By-laws Silent on Model Aviation Canada.

Policy Manual Silent on editorial policy for Model Aviation Canada.

Kerr · King not relevant in this discussion.

Model Aviation Canada editorial policy can be found on the Masthead on page three of the magazine.

The Board of Directors advises the members to vote **AGAINST this Resolution.**

10. Constitution Amendment

Be it RESOLVED by Special Resolution:

THAT Article 2 of the Constitution be revised as follows:

ARTICLE 2 - AFFILIATION The Association shall act as a representative of the Aero Club of Canada (A.C.C.) in establishing and maintaining official regulations governing the conduct of model aero plane records and contests and to issue sanctions for same in accordance with any authority granted by the Aero Club of Canada, as representative in Canada of the Federation Aeronautique Internationale (F.A.I.). Any change to this ARTICLE shall require a majority vote of seventy-five (75) percent of the open membership for approval.

Rationale: A seventy-five percent vote will ensure that the absolute majority of the membership are in favour of any change to this article 2.

Constitution Advisory Group Policy Analysis

Opinion

This zone resolution proposes to change the threshold of voting to amend or repeal Article 2 "Affiliation" in the Constitution, from approval of a special resolution (passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution) to approval by a "majority vote of seventy-five (75) percent of the open membership." The Act, Bill c.23 defines a special resolution (extraordinaire) as a resolution passed by a majority of not less than two thirds of the votes cast on that resolution and is the current threshold for amendments to MAAC's Constitution (Articles of Incorporation). This zone resolution proposes that a resolution to amend or repeal the "Affiliation" clause in the constitution require three quarters of the open members of the association to vote in favour of it, a significantly higher threshold somewhere around 7,000 votes. Typically, resolutions, ordinary or special are passed based on a defined majority of votes cast not on the total number of members in an organization.

This is an extraordinary and unreasonable requirement because it means that one article in the Constitution requires a significantly higher threshold to amend than the balance of the Constitution which sets out the fundamental purposes of MAAC. The sentiment expressed in this resolution is to make it extremely difficult to change the "Affiliation" clause in the Constitution, however an unintended consequence could be to paralyze any future change to whom MAAC is affiliated with. By-law 9.e Zone Representation charges Directors to represent their zones by voting the unused votes from their zones at Meetings of the Members. In practice this results in almost 100% of the available open member votes being cast at Meetings of Members, which would make passing a resolution to change the "Affiliation" clause in the Constitution possible. Should MAAC choose to remove the responsibility for Directors to vote the unused votes from their zones, it is unlikely MAAC would ever meet a 75% of open members threshold to delete or amend the "Affiliation" clause and bind MAAC to Aero Club of Canada until MAAC ceased to exist.

Policy Analysis

The Act Bill c.23 Defines special resolution in Part 1, Interpretation and Application. It further deals with special majorities (4) in Part 2 Incorporation "Subject to subsection (5) (not applicable in this case), if the articles of a unanimous member agreement require a greater number of votes of directors or members than required by this Act to effect any action, the provisions of the articles or of the unanimous member agreement shall prevail. It appears that MAAC could amend the articles by special resolution to increase the vote threshold for one clause of the Constitution. Section 197 Fundamental Changes (1) requires a special resolution of the members to amend the Constitution or Articles.

By-laws 1 Definitions specifies the same threshold as the Act for a special resolution.

Policy Manual is silent on Constitution amendments.

Kerr · King is superseded by the ACT and MAAC By-laws.

The Board of Directors advises the members to vote AGAINST this Resolution.

11. Term Limits for Directors

Be it RESOLVED:

THAT the by-laws of the corporation be amended by the addition of a by-law defining term limits for directors; and

THAT the new by-law limit directors to serving a maximum of three consecutive two-year terms (six years) and be eligible to be re-elected after an absence of one two-year term (two years); and further.

THAT the new by-law be effective immediately and directors who have served more than three terms are not eligible for re-election until the requisite absence has passed.

Rationale: The general rule in the NFP Act is that directors are elected by a majority of the votes cast at an annual meeting of the members, for a term that cannot exceed four years. For MAAC this means elected by majority of the votes cast, for a two-year term at an annual zone meeting. There is no limit specified in the Act for the number of terms a director may serve, but best practices indicate that term limits are the best structure for most not-for-profit organizations. There are opinions on both sides of the discussion.

NonProfit Pro states board rotation is a healthy and natural way of providing change and necessary transformation for a board. Bringing in new board members on a regular basis keeps away stagnation and gives the board an opportunity to renew itself.

According to a BoardSource survey, nearly three quarters of the respondents reported using three-year terms, with a maximum of two terms and a 2010 survey by BoardSource Nonprofit Governance noted that 70% of nonprofit boards have term limits.

The most obvious incentive for term limits is that it brings new blood and a fresh perspective to the board. New board members bring different skills, talents, and abilities to the board table.

MAAC has been challenged to recruit new board members at times but, has always managed to do so and has a failsafe charging the President with appointing a Zone Director should there be no candidates. Term limits can result in seasoned board members exhausting their terms and as they leave, take their experience and history with them. They are aware of the context in which historical decisions were made. That acquired knowledge and experience should be passed on to current and new board members, as part of a transition, to be carried forward as an ongoing contribution to good governance.

It is important for the organization to have diversity on the board, that board members work well together, that there are fresh ideas, and that corporate history is not lost.

Constitution Advisory Group

This proposal originated in the Zone L Southeastern Zone Resolution in 2020. It was considered and not supported by the membership, on the recommendation of the board, because of the short duration of two-terms (four years) proposed. This is a relatively short period of time for a director to get up to speed and become a seasoned board member. The board supported the concept of term limits for directors in principle but was not confident that the two-terms proposed would be sufficient. The board further recommended that it receive further review and brought back for consideration by the members at the 2021 AGM.

The board has considered the total time that a director should serve to maintain a balance between new board members with fresh ideas and seasoned board members with experience and history. Research has shown that most not-for-profit boards are using three-year terms, with a maximum of two terms. The MAAC board does not recommend changing the current two-year terms of Zone Directors and believes three terms (six years) would serve MAAC best and balance new perspectives with experience and corporate history.

The Board of Directors advises the members to vote FOR this Resolution.

12. Notice of Members Meeting

Be it RESOLVED by Special Resolution:

THAT current by-law 7. Notice of Members Meeting section e. be deleted and replaced with the following:

e. Notice of meeting

Notice of the time and place of a Meeting of Members Shall be given to each member entitled to vote at the meeting by either of the following means:

- i) in a publication of the corporation that is sent to all its members, during a period of 21 to 60 days before the day on which the meeting is to be held: or
- ii) by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of twenty-one (21) to thirty-five (35) days before the day on which the meeting is to be held.

Rationale: The purpose of this special resolution is to give MAAC the tools to effectively manage the Notice required for a Members Meeting in special circumstances when Model Aviation Canada (MAC magazine) cannot be used. MAAC typically sends out its "Notice of Meeting" (Notice) for the Annual General Meeting in the MAC magazine. In 2020 it did so via electronic means and where members had requested not to receive emails from MAAC or did not provide an email address in their online MAAC profile, it was sent via Canada Post. In 2020 the cost of sending the Notice to 646 members along with the accompanying documents was \$2,560.29. From that mailout, MAAC received 6 responses, comprising 3 closed proxy votes, 3 open proxies assigned to another member, and 0 registrations to attend the meeting. This translates to \$ 426.72 per response.

Constitution Advisory Group Opinion

The intent of this special resolution is to eliminate the need to send, by Canada Post, the Notice and accompanying documents to members who have chosen not to receive emails from MAAC. Typically, MAAC has relied on including the "Notice of Meeting" in the MAAC Magazine but unusual circumstances may prohibit the lengthier timeline required to publish a magazine and mail it to members to meet the requirements of the Notice period. The 2020 Covid-19 Pandemic illustrated this need when producing the Virtual 2020 Annual General Meeting on short notice.

The effect of this special resolution is that, when an Annual General Meeting, is held under unusual circumstances and the time period does not allow publication of the Notice in the MAC magazine. Members who have chosen not to receive emails from MAAC or have not supplied an email address to MAAC will not receive a "Notice of Meeting" via Canada Post other than those that request a copy to be mailed to them. Members wishing a copy of the Notice to be mailed to them may choose that option in their online MAAC profile.

This is a progressive step to reduce future costs associated with mailing bulky document packages to members who do not wish to receive electronic communication from MAAC but allows members who request a copy to have one mailed to them.

Policy Analysis

The Act

Notice provided for in the by-laws

162 (1) The corporation shall give members entitled to vote at a meeting of members notice of the time and place of the meeting in accordance with the by-laws and the regulations. The provisions of the by-laws respecting the giving of notice shall comply with any prescribed requirements.

The Regulations

Notice of Meeting of Members

63 (1) For the purpose of subsection 162(1) of the Act, one or more of the following manners is a prescribed manner of giving notice:

- (a) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held;
- (b) by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held;

(c) by affixing the notice, no later than 30 days before the day on which the meeting is to be held, to a notice board on which information respecting the corporation's activities is regularly posted and that is located in a place frequented by members; and

(d) in the case of a corporation that has more than 250 members, by publication

(i) at least once in each of the three weeks immediately before the day on which the meeting is to be held in one or more newspapers circulated in the municipalities in which the majority of the members of the corporation reside as shown by their addresses in the register of members, or

(ii) at least once in a publication of the corporation that is sent to all its members, during a period of 21 to 60 days before the day on which the meeting is to be held.

(2) For the purpose of subsection 162(1) of the Act, if the by-laws provide for an electronic means of giving notice, the by-laws shall also set out one or more of the methods set out in paragraphs (1)(a), (c) or (d) as a non-electronic alternative manner of doing so to be used if a member requests that the notice be given by non-electronic means and, despite subsection 162(2) of the Act, if no alternative manner is set out in the by-laws, the corporation shall only send a copy of the notice to members that request a copy.

Constitution: Silent

By-laws

7. Notice of Members Meeting

e. Notice of meeting

Notice of the time and place of a Meeting of Members Shall be given to each member entitled to vote at the meeting by the following means:

- i) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of twenty-one (21) to sixty (60) days before the day on which the meeting is to be held; or
- ii) by telephonic, electronic, or other communication facility to each member entitled to vote at the meeting, during a period of twenty-one (21) to thirty-five (35) days before the day on which the meeting is to be held.

Policy Manual

8.5 Notice of Meetings by Publication

8.5.01 Any written notice required in the by-laws shall be held satisfied if such notice is published in a newsletter or national publication of the corporation, provided that:

- a. Such notice is prominently displayed in such publication and in such a manner as to be reasonably expected that every member who is eligible to vote will see it.
- b. Such newsletter or publication is mailed within the prescribed period to every member who is eligible to vote.

Kerr · King: Superseded by the Act, By-laws and Policy Manual

The Board of Directors advises the members to vote **FOR this Resolution.**

RECOMMENDATIONS

Zone A Alberta

1. Exhibition Flying at Full Scale Airshow

Be it RECOMMENDED:

THAT the MAAC Board of Directors develop policy and guidelines to aid members to perform exhibition flying at full-sized airshows.

Rationale: For many years RC aircraft and full-sized aircraft have shared the sky in a very safe and respectful manner. Even though there have been poor choices in the past by certain individuals, as in any situation, accidents have happened, and valuable lessons have been learned. Because of a past accident, it seems that there are some in the executive that are still paralyzed, since that accident happened and do not wish to go on from it.

In Zone A we have made two very successful flight demonstrations of turbine jets, in two consecutive years that have drawn great accolades and appreciation from the full-sized airshow organizations. In both events, the RC airshow team was involved in all preshow briefings and also post airshow meetings as well. The team was shown the same consideration as full-size show performers and in turn were to show the same amount of professionalism in return.

The problem seems to be within MAAC that is trying to reference something of guidance or reference that will walk the members through the initial process. There is nothing laid out by MAAC to help the members through this. Two years ago, when I was wanting to get information on how to pursue information on establishing a team of individuals to fly at a full-sized airshow, I was pointed to an excellent discussion paper by Don McGowan on prepping and preparing to fly at a full-sized airshow. Like I said an excellent document. The problem I see is that paper went absolutely nowhere with the BOD. It has been sat on and no further movement has been made.

So, with full sized airshow organizers continuing to want an RC display to be made, and we are having our members wanting to do this, I think it is time for the BOD to move on this to develop policy and set guidelines so members can participate at this level.

Constitution Advisory Group Opinion

Flying at Full Scale Air Shows is a wonderful way to showcase the top end of RC flying to those interested in aviation, however it is fundamentally different from flying model aircraft recreationally or in model aircraft competitions. Full Scale Air Shows have their own air operations command structure that is different and supersedes MAAC's protocols and rules designed for recreational operation of model aircraft. MAAC's Safety Documents do not support MAAC's involvement or extend its liability insurance to Full Scale Air Shows.

MAAC Safety Documents

MSDo3 section 5.6 - hazard to full scale aircraft: No member shall operate a model aircraft at a location or in a manner that is or is likely to be hazardous to full-scale aircraft. The member shall retain ultimate responsibility, at all times and in all circumstances, for collision avoidance from full-scale aircraft.

MPPD 02 MAAC Sanctioning of an Event section 5.7: A MAAC sanction will not be issued for a model flying demonstration at a publicly advertised full-scale air show where the model flying demonstration would be conducted in close proximity to human-carrying full-scale aircraft on display or flying.

MPPDo4 MAAC Insurance Coverage Summarized section 5.4 - Members are not covered at events in Canada to which the general public has been specifically invited unless a MAAC Sanction has been issued for that event.

Each Full-Scale Air Show is unique and determines the specific requirements for RC pilots they invite to participate in their Air Show. It is not appropriate for MAAC to set Policy and Guidelines, to govern member participation at Full Scale Air Show as it does not have the authority to overrule Part IX of the new Transport Canada Regulations. Part IX Regulations do not appear

to prevent model aircraft from participating at full scale air shows provided the regulations are followed. MAAC could support those wishing to fly model aircraft at Full Scale Airshows with informational material developed by those with the experience and knowledge of those who have been involved with Full Scale Air Shows.

*The Board of Directors has considered this recommendation and **SUPPORTS it in PRINCIPLE**. The board plans further discussion on how best to develop MAAC policy and guidelines to support RC Flying at Full-Scale Air Shows, that complies with Transport Canada Regulations and recognizes the authority of the air operations command structure of Full-Scale Air Shows.*

Zone L Southwestern Ontario

2. Wings Program Update

Be it RECOMMENDED:

THAT It is recommended that the present wings certificate system be modified to develop separate categories dependent on pilot skill and knowledge and that each category require its own certification process.

Rationale: Our Club members have observed that new entrants to our hobby can earn their wings with an easy to fly aircraft like a slow small electric foamie and then are essentially certified to fly beyond their capability, e.g.: high-speed large-scale jet plane. We feel this is a safety concern.

Constitution Advisory Group Opinion

The MAAC Wings Program is a valuable tool for clubs to use in developing their members, however it is not intended to determine a pilot's competency to fly larger and more complex aircraft. It is designed to provide a program that encourages individual club members to improve their overall flying ability and to minimize safety hazards and accidents by encouraging all club members to develop better and more proficient flying habits. It does this through demonstration of a range of flight maneuvers. It is not intended to determine competency with the range of easy to fly through large scale turbine aircraft. The MAAC RC Flight Training Course is another tool that clubs can use to develop pilots. It is more comprehensive in that it covers specifics of the flying fields, aircraft setup, radio setup and emergency procedures. Neither of these programs are mandatory for clubs.

By-law 6.a "A member in good standing is defined for all membership classes, as a member, who shall respect and abide by the MAAC Safety Code, protocols, and policies of MAAC in effect from time to time, unless proven otherwise".

MSD 25 The MAAC "Safety Document 25 Remotely Piloted Air System Competency Demonstration Requirements" contains safety rules and forms part of the MAAC's Safety Code for all activities.

Section 4.1 "A member of MAAC shall not operate an RPAS until and unless that member has successfully demonstrated to a person delegated by MAAC in accordance with MAAC's rules, procedures, and safety guidelines that the member has sufficient knowledge and experience to control the RPAS in a safe and competent manner unless the member is under the direct supervision of a qualified MAAC instructor."

Section 4.2 "Clubs may decide to set their own standards for pilot competency; however, any competency demonstration must contain the minimum basic elements contained within this document."

*The Board of Directors has considered and **DOES NOT SUPPORT**, this zone recommendation, however, will forward this zone recommendation to the Safety and Flight Training Committees for joint consideration..*