

## **Ontario's new Not-for-profit Corporations Act (ONCA) & What it Means to LKRA**

The LKRA is registered with the Ontario government as a not-for-profit corporation. We will need to change our by-laws at the 2024 AGM in order to be compliant with the new Act as of the October 2024 deadline. Highlights of the changes required are as follows:

- At the AGM, the members will elect a group of Directors, who form the Board and manage the corporation. Term for a Director is 2 years with no limit on re-election. The Board then appoints a Director to be chair and appoints its Officers (President, Treasurer, Secretary, etc.). These Officers do not necessarily need to be Directors.
- AGMs must be held within 6 months of the fiscal year end (which is Dec 31<sup>st</sup> for the LKRA) and within 15 months of the last AGM. The Directors shall approve annual financial statements of the corporation that relate to the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting.
- By-laws must be clear on voting members (who they are), membership terms and quorum. Article II of our bylaws say membership is open to all land and cottage owners on the lake. It likely be changed to say that the owner(s) of each property on the lake can join, and each property gets one membership. That would dovetail with article XXIII, which says each property gets one vote at meetings.
- If we have less than \$500,000 in Revenue, the members can waive an audit or a review engagement. This extra-ordinary resolution must be made at each AGM and approved by 80% of the votes present at the AGM.
- We have both Articles and By-Laws. To change our Articles and By-Laws, we need to get Board approval (at which point they come into effect) then take it to an AGM or other special meeting with appropriate notice and quorum. Approval required for by-law changes is 50%+1 and for articles it is 66% of members present. There is a \$155 fee to change articles. The articles should include the purpose of the organization, number of Directors (at least 3), membership classes and voting rights, and restrictions on borrowing and selling assets. Our current Articles do not have this information in them. If we act outside the Articles (purpose) we can be challenged. Not adhering to the Articles is an offence, not adhering to the by-laws is not.