

WACC CANADA BOARD OF DIRECTORS MEETING
April 16, 2024 –10:00 a.m. TORONTO TIME
MINUTES

Attendees: WACC Canada Board Members:

Embert Charles – President

Kristine Greenaway – Director

Philip Lee (General Secretary) (GS)

Juha Rajamäki – Treasurer

Susan Jackson-Dowd – Director

Staff present:

Philip Lee (General Secretary) (GS)

Joseph Patterson (Financial Controller) (FC)

Shari McMaster, Minute Taker & Board Liaison

Agenda Item No. 1 – Welcome by the President

The President, Embert Charles, welcomed all to the meeting. The purpose of this meeting is essentially to look at and approve the Financial Statements for 2023 and the reappointment of the Auditors.

Agenda Item No. 2 – Roll Call

All of the Board members being present, quorum was established.

Agenda Item No. 3 – Adoption of Agenda

The President called for the adoption of the Agenda as presented.

MOTION: It was MOVED by Kristine Greenaway and SECONDED by Susan Jackson-Dowd that the Agenda as presented be adopted. CARRIED UNANIMOUSLY.

Agenda Item No. 4 – Approval of Minutes – September 19, 2023

The Minutes had been circulated amongst the Board and were shared on the screen. As there were no questions, the President asked for a motion to approve the Minutes.

MOTION: It was MOVED by Susan Jackson-Dowd and SECONDED by Juha Rajamäki that the September 19, 2023 Minutes be approved. CARRIED UNANIMOUSLY.

Agenda Item No. 5 – Approval of WACC CA 2023 Financial Statements

The President invited the Financial Controller, Joseph Patterson, to present the 2023 Financial Statements.

The FC reviewed the Index to the Financial Statements to provide the overview of what is included in the Statements and what is set out in its various sections. The Statement of Financial Position indicates where the organization is as of December 31st. It is a point-in-time snapshot. The Statement of Changes in Net Assets looks at how the net assets have changed from year to year. The Statement of Revenue and Expenditures outlines what happened during the year, how much income was brought in and how much there were in expenses. The Statement of Cash Flows explains the cash movements. Lastly, the Notes to Financial Statements is a critical section as it helps to explain different line items in the previously noted sections. The Financial Statements must be reviewed in totality for an accurate understanding of the financial situation of the organization.

The Independent Auditor's Report describes what the Auditors did to reach their findings. It lays out the roles of the Auditor and of Management.

The FC then reviewed the Financial Statements. On the Statement of Financial Position, the FC noted that it is important to understand that in the Assets, Current section, there is a difference between the 2022 year and 2023. While the amount of cash in 2022 was \$1.6 million, in 2023 it was \$780,000. The reason for this difference is because WACC spent moneys that were given to it last year (2022), that were to be spent in 2023. Those moneys have been spent so the cash has gone down. In the next iteration of other projects, there will be an influx of moneys again, and it will go down again at the following year.

The FC continued to review the various sections of the Financial Statements on a line-by-line basis. The FC noted that WACC CA and WACC UK share resources, which are now operating as one consolidated organization.

On the Statement of Changes in Net Assets, the FC explained that during the budget exercise last year it had been anticipated that there would be a deficit in 2023 due to higher expenditures than normal as a result of governance meeting costs. Therefore, in last year's budgeting process, there was an allowance for a drawdown from the Aqueduct fund of approximate \$322,000 in 2023 but the next statement shows a drawdown of significantly less, which was deliberate. The drawdown was actually \$128,000, which is within the 5 percent drawdown that is required by law that WACC must take from the Aqueduct fund.

The FC noted that the managerial decision was taken to reduce the amount of the drawdown from the Aqueduct Foundation in order to utilize the cash in the fund, to maximize returns as it was anticipated that 2023 would be a bullish year for stocks and other forms of investments that are included in the portfolio. This has proven to be correct.

The FC reviewed the Statement of Revenues and Expenditures document, and reiterated the reason for the deficit at the bottom of the sheet. If WACC had taken a larger amount from Aqueduct, the deficit would have been less.

The FC reviewed the Notes and specifically reviewed Section 6, Schedule of Expenses which shows the breakdown in expenditures. He also specifically noted Section 10, Economic Interest which indicates what happened to the funds invested in the Aqueduct Foundation. He noted that the fund had increased from \$3,223,417 to \$3,379,692. Wise choices were made in managing cash flows so that there was an increase in the fund which will be a buffer for the future.

The FC concluded his presentation and the President invited the Board to ask questions.

The Treasurer said that the statement of the auditor is positive and is satisfied with Joseph's presentation. He is pleased with the performance of the Aqueduct Foundation. He expressed concern regarding the cash position being much higher in 2022 than last year. Joseph explained that in 2022 WACC had a large amount of cash because Bread for the World sent its money earlier than they normally would and therefore, the cash position in 2022 looked very good because the cash had not yet been spent. In 2023, they sent the money later (it was received in 2024) and therefore, the difference really is just a matter of timing.

The GS pointed out to the Board that WACC has actually increased its income from some new funders; for example, WACC has entered into new agreements with ELCA and the Primate's World Relief and Development Fund. However, because some projects begin funding in one year and continue into another, the apportioning of the income isn't necessarily reflected in the year end totals. Philip assured the Directors that the continued support from BftW and the others are keeping the organization on a stable footing.

The President suggested that it would be useful for the Board to have a briefing document that will provide information on how WACC will respond to the upcoming economic situation in the years going forward. It seems that there will be some difficult financial times ahead.

The President thanked the FC for his clear and thoughtful presentation of the Financial Statements and called for a motion to approve the Financial Statements.

MOTION: It was MOVED by Kristine Greenaway and SECONDED by Susan Jackson-Dowd that the WACC CA Board approve the WACC CA 2023 Financial Statements. CARRIED UNANIMOUSLY.

Agenda Item No. 6 – Re-Appointment of Auditors – WJ Professional Corporation

The GS said it is customary to reappoint auditors provided there have been no questions as to their services over the previous period and WACC is therefore recommending the reappointment of WJ Professional Services for the coming year.

The Treasurer asked about changing the auditor every five years.

The FC said that as there are consolidated audits, and the WACC UK auditors had recently been changed, it is prudent to keep the same WACC CA auditors to ensure that the relationship be allowed to evolve between the two sets of auditors. Furthermore, as changing an auditor is quite costly, the FC's opinion is that it would be a waste of money and that this matter be reviewed at the end of 2024 or 2025.

The FC also noted that there have been internal changes within WJ Professional Corporation with three different auditors having prepared the Financial Statements, so WACC has benefited from those internal changes.

MOTION: It was MOVED by Juha Rajamäki and SECONDED by Kristine Greenaway that WJ Professional Corporation be reappointed Auditors for the year 2024. UNANIMOUSLY CARRIED.

Agenda Item No. 7 – Any other business

There was no other business.

Agenda Item No. 8 – Adjournment

The President asked for a motion to adjourn the meeting.

MOTION: It was MOVED by Susan Jackson-Dowd and SECONDED by Juha Rajamäki that the Meeting be adjourned. UNANIMOUSLY CARRIED.

The meeting concluded at 10:45 a.m. Minutes respectfully submitted by Shari McMaster