

Finance Committee Meeting Minutes

Held on Sept.17, 2020 at 3:00 p.m.
By Videoconference

MEMBERS

D. Cates (committee chair)
N. Fonseca

J. MacQuarrie
S. Fox

S. Krishnan
J. Gorman

CNA

T. Weagant
C. St. Germain
T. Asdrubolini

Vice President
CFO
Corporate Secretary

1. OPENING REMARKS BY THE CHAIR

Documents Received: Sept. 17, 2020 Finance Committee Meeting Agenda; Board and Standing Committee 2020 Work Plan (Sept. 10, 2020).

There being a quorum present, the meeting was called to order at 3:03 p.m. The meeting agenda was adopted as presented. No conflicts of interest were declared.

2. CONSENT AGENDA

Documents Received: June 12, 2020 Finance Committee Meeting Minutes, Compliance certificate (Sept. 10, 2020).

On motion duly made, seconded and unanimously carried, it was resolved to approve the consent agenda in its entirety.

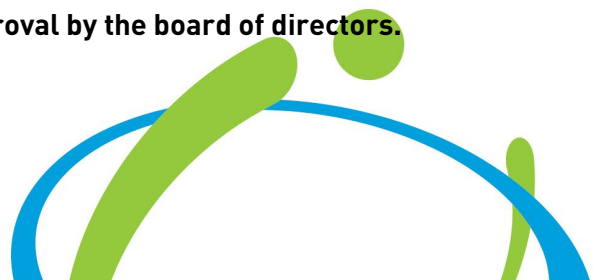
3. CFO REPORT

Documents Received: CFO Report to Finance Committee - 2020 Second quarter financials, 2020 Quarterly forecast (Sept. 10, 2020)

C. St. Germain presented the financial results and associated reports to the committee, focusing on certain highlights, including the statements of financial position and operations as at June 30, 2020, and the financial forecast for the third and fourth quarters of 2020.

Members queried on Management on the nature of select items in the statement of financial position. The committee accepted the CFO's report.

On motion duly made, seconded and unanimously carried, it was resolved that the finance committee approve the CNA's second quarter financial results for 2020 for recommendation by the executive committee and approval by the board of directors.



4. 2021 OPERATING AND CAPITAL BUDGET

Documents Received: Report to the Finance Committee - 2021 Operating Budget (Sept.15, 2020)

J. Gorman presented Management's proposed 2021 budget, which includes planned expenditures to accomplish the 2021 tactics outlined in the strategic plan and the new, base level of spending thereafter. He reviewed and explained the nature of proposed expenditures (including those that will not reoccur in future years), key budget assumptions, the projected deficit in 2021 (\$535,749) and beyond, and where the budget could be scaled back, if required.

Directors asked many questions of Management with discussion ensuing on the overall financial prudence of the proposed 2021 budget, including:

- The financial prudence of Management's plan to maintain a core internal staff and add scalable expertise through retainers with consultants.
- The primary sources of revenue for the organization and the potential financial impact of COVID-19 on the annual conference (including Management's plans to move the timing of the conference to Oct). Management was asked to consider budgeting the annual conference at 80 percent of forecasted revenue.
- The flexibility and elasticity of the proposal and the impact of scaling back on any of the five key areas of investment on the organization's ability to deliver the proposed outcomes it wants to generate with the strategic plan.
- Strategies to mitigate financial risks associated with the proposed deficit budget. This included drawing on the organization's net assets to fund the necessary investment and considering an increase in CNA membership revenues on a graduated basis over the next three years or after 2021.

Management thanked members for their input and explained that the revised budget would be presented to the committee at its Nov. 17, 2020 meeting.

5. REVIEW OF FINANCIAL POLICIES, PROCEDURES, AND INTERNAL ACCOUNTING CONTROLS

Documents Received: Operational reserve fund policy (Sept. 15, 2020).

The committee considered Management's proposed approach to amend the CNA's operating reserve fund policy; that is be structured to provide for an orderly windup of the organization if it is deemed necessary. The committee generally supported the proposed approach. Directors asked Management to consider building in a contingency to mitigate against any negative cash situations and to change the period for the scaled back operating costs for an orderly windup from 30 days to 60 or 90 days.

6. OTHER BUSINESS

Documents Received: Finance committee terms of reference, Portfolio performance review update [Sept. 15, 2020],

As other business, the finance committee:

- Received the corporate secretary's report on its terms of reference and was asked to consider whether they accurately describe the duties and responsibilities of the committee in key functional areas. Directors agreed to provide input and direction to the corporate secretary by e-mail in advance of the committee's Nov. 17th meeting.
- Received and considered Management's update on the status of the CNA's cash and investment portfolio.
- Discussed upcoming vacancies in finance committee membership. D. Cates noted that recommendations on how to fill the vacancies will be discussed with the GHRC committee chair in advance of the organizational meeting of the board on Oct. 22, 2020.

ACTION: The corporate secretary will e-mail members to clarify the process and timeline to provide input on the finance committee's terms of reference.

7. ADJOURNMENT

There being no further business, the meeting ended at 4:03 p.m.

Committee Chair

Secretary

Date

Date