

The Children's Bridge Annual General Meeting (AGM)

Draft Minutes for October 31, 2009

Board Members present: Krista Shibata, Wladyslaw Kinastowski, Dave Hung, John McCarthy, Tracey Lafreniere, Tina Dayes, Sandra Forbes (Executive Director CB)

Other members present: Sitaramacher and Neela Venkatesh Prasad, Esther Yeung, Menno Spyker, Lynne Richer, Lynn Sherwood, Pamela Tompkins, Nick Paonessa (teleconference), Kim Rodger- Moorhead (teleconference), Erin and Tony Silvaroli, Jennifer Dawson, Bonni MacGregor.

Regrets: Carlos Martins (medical), Jason Goncalves (out of country), Grev Staniszewski (conflict with exams)

Housekeeping Matters

- a) The meeting was opened at 1:40pm
- b) Quorum – quorum for the meeting was met
- c) For the benefit of the members present the Board members each introduced themselves. Tracey Lafreniere was recognized for her contribution to the Board as this meeting would mark the end of her involvement with the Board but not CB.
- d) Minutes of the November 22, 2008 AGM were adopted.
- e) Noted that the Minutes as well as the reports presented at the AGM would be posted in the Members only section of the CB site.

President's Report:

Krista Shibata provided a Vice President's report on behalf of the entire Board as Carlos Martins the Board President underwent emergency surgery on Thursday and is unable to attend this meeting.

Highlights:

- Overall, in a time of international adoption uncertainty and global economic hardships, Children's Bridge (CB) had a year where we moved to more stability in leadership, staffing, and programs.
- 996 current members (which includes families in various stages of the adoption process).
- CB staff visits to India, Nepal, China, South Africa, and Vietnam and South Korea as part of our commitment to developing in country relationships to ensure the ongoing successes of our existing programs.
- The reopening of the Nepal program this past fiscal year.
- Some of the challenges over the last year included long waits for our families in waiting, and a review of program financing which led to the notice of fee increases for certain programs.
- The priorities of the CB Board of Directors continue to be our ongoing dedication to the families in waiting, carefully monitoring the financial situation of Children's Bridge as well as supporting the investigation of new programs.

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- Would like to recognize and thank the Staff at CB as well as the volunteer Board of Directors for their commitment to CB as demonstrated by their long hours, heavy workload and positive attitude in the face of many changes.

Questions: None

Executive Director's Report:

Sandra Forbes presented her report.

Highlights:

- International adoption continues to evolve and change. As countries become more familiar with the Hague Convention, the children available for international adoption tend to be slightly older. As well, countries increasingly look to place children domestically before considering international families.
- This is resulting in fewer younger infants available for adoption overseas as well as longer wait times result for families.
- CB is exploring opportunities for other international adoption possibilities with the opening of the Nepal program and examining the potential for South Africa and Rwanda programs.
- With longer wait times come additional expenses and staff pressures. CB has taken steps to manage its expenses. It has also reorganized its staff, restructured roles, and decreased the amount of full time positions. Even with these changes staff morale is good.
- Moving forward CB will continue to closely monitor the international adoption world and its role. Maintaining constructive and positive in country relationships is important. At the same time CB will also be cognizant of financial matters as the wait times increase. How CB can best serve families while still focusing on the core service of forming families through adoption will be the focus in the next year.

Questions: None

Treasurer's Report:

David Hung noted that the audited statements are not yet ready due to a number of factors. First the AGM this year is roughly three weeks earlier than last year. Secondly, increased complexities surrounding CB operating activities requires additional attention. Finally, and perhaps more importantly, as a result of the bankruptcy of Imagine, and the new Ontario Ministry requirements, increased attention has been placed on adoption agencies. As a result CB's auditors (Raymond Chabot Grant Thornton) are undertaking a more detailed review of CB's records, with the full support of the CB Board of Directors. He indicated the he as well as the Board are supportive of the auditor's efforts. Once the audit is finalized, audited statements will be made available to members on an as requested basis. In the interim he would present a Preliminary Treasurer's Report.

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Highlights:

- **The following financial comments are based on draft unaudited annual financial statements for the fiscal year ended July 31, 2009. Accordingly, the figures or comments could change if figures in the audited financial statements differ from the draft unaudited annual financial statements.**
- Total revenues were \$723K compared to \$1,266K in the prior year. The decline of \$543K was due to significant declines file volume, offset in part by new fees implemented in the fiscal year.
- Total expenses have declined compared to the prior year, but not enough to offset the significant decline in revenues. The CB generated a Deficiency of Revenues over Expenses, which is significantly higher than the Deficiency reported in the prior year.
- The Board of Directors of the CB has recently approved the fiscal 2009/2010 budget which calls for a small operating surplus (less than \$20k) based on an estimated 116 new retainers this year.
- Challenges facing CB in this current year:
 - Current economic conditions are making it increasingly difficult for families to afford the cost of international adoptions;
 - Significant waiting times, increased complexities in the finalization of adoptions are resulting in higher program costs and reducing the amount of revenues for the Children's Bridge;
 - Maintaining a balanced budget in a complex and changing environment;
 - The principal outstanding issue relates to accounts receivable balances from families who still owe the Children's Bridge money (e.g. translation fees, administration fees, other fees, etc.) – we are diligently working through the details with our auditors;
 - From an accounting standpoint, we may need to establish a provision for bad debts;
 - From an operational standpoint, we need to determine our rights as an agency and all our available options
- How is CB addressing financial pressures:
 - Appointment of three new Directors with strong finance backgrounds to complement existing Board members;
 - Strong finance committee established to address financial issues (fee increases, budgets, etc.) as issues arise;
 - Implementation of fee increases (annual administration fee, facilitation fee) to a balanced budget is maintained;
 - Cost containment initiatives (reductions in lease costs, donations, office supplies, etc.);
 - Careful monitoring of our financial position – monthly reports by the ED to the Board of Directors.

Questions: None

Election Of Board Members:

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Krista noted that Loyde Henriques and Tracey Lafreniere had reached the end of their terms and were not standing for re-election. She thanked Loyde and Tracey for their work over the past few years.

In answer to a question from the members Wlad noted that the Board was composed of a minimum of 5 members and a maximum of 12. There are six members on the board whose terms have not expired and three candidates for election.

Krista reiterated that there are three candidates for election:

Jason Gonclaves

Grev Staniszewski

Kim Rodger-Moorhead

As Jason Gonclaves was out of the country on business, Krista spoke on his behalf and provided the members with some background, previous Board experience and why he wished to run.

Pam Tomkins spoke on behalf of her husband (Grev) who had a conflict with exams and could not attend the AGM. She conveyed his wish to give back to the agency that helped to facilitate the formation of their family.

Kim Rodger-Moorhead spoke to the assembled members and provided some background on her adoption experiences and desire to give back to the community.

Moved by Lynne Richer and seconded by Venkatesh Prasad that the list of candidates be accepted in its entirety – passed unanimously.

Open forum for Questions:

Q1 – What are the requirements to be a Board member of the Bridge? (missed name of member asking question)

A1 - Wlad indicated that to the best of his recollection, one had to be a member of the Bridge in good standing (meaning membership was paid up) to attend the AGM and be on the Board. However to vote at the AGM one needed to be a member in good standing AND have either completed, or be in the process of completing, an adoption through the Bridge. As all prospective Board candidates not only are members in good standing, but also have completed or are completing an adoption this issue was set aside. Wlad will review By-laws to confirm requirements as a general interest question.

Q2 – Question to the Treasurer asking if the projected surplus for 2009-10 will be enough to cover the deficits of the past two years as noted in David's interim report? (Menno Spyker)

A2 – David noted that the simple answer is no. The past deficiencies have been covered by transfers from the contingency reserve. The combined draws were larger than the

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projected surplus (in the low teen thousands) for 2009-10. Any surplus, will be placed back into the contingency fund.

Q3 – What do “in trust funds” pay for? (Lynne Richer)

A3 – David noted that in trust funds are held on behalf of the families and are drawn on when families' files meet certain milestones. These funds are used to cover related operational expenses.

Q3(i) How do statements work as have not received a regular statement of trust account and when received upon request the dates and draws are not noted? (Lynne Richer)

A3(i) Sandra noted that statements are issued at the completion of the adoption. The expenses are listed and the amounts noted accordingly as a global amount (e.g., legal) and not every transaction is listed under the heading of “legal”.

Q3(ii) How does interest work on the trust accounts for families? (Lynne Richier)

A3(ii) David clarified that there is only one trust account (similar to that of a lawyer or real estate agent) where the dollar amounts are pooled and accounting ledgers are used to keep track of each specific family balance. It was noted that the account is an in-out account and as such its interest earnings are minimal. Sandra noted that the earnings are not apportioned to each specific family for a number of reasons. First the minimal interest earned in this conservative account offsets bank fees applied for transactions. Secondly, if interest would be apportioned to each family, transaction costs would need to be apportioned as well. The effort and related costs of bookkeeping to do that would be too costly and impractical.

Q4 Relating to the Administration Fee – Who covers costs if errors occur? (Lynne Richier)

A4 Each family is responsible for the costs associated with their adoption file moving through the respective program process. There are costs associated with maintaining a file, including ongoing maintenance, storage, translation of updates, other related overhead, etc. The Admin Fee is to help see the file through and assist in offsetting some of the associated costs with processes lengthening.

Comment Discussion (Lynne Richer and Menno Spyker)

The above discussion segued into an open discussion about their specific case. This gist of that discussion was that their file was sent back to translation to correct errors, and they were unable to learn as to what type of errors needed to be translated.

Sandra did note that the specific translator was no longer being used by CB, and given the staff do not speak the language, they rely on the translator to identify errors in the document. The subsequent discussion surrounded what was feasible to provide to families at reasonable cost and with meaningful detail. As files from this specific country are sent back without the error(s) being identified, the entire file needs to be translated. It was pointed out that translation issues arise when someone along the chain of approval does not understand or shares the same understanding of the text. If questions as to the meaning arise, clarifications (read revised translation) are required of the whole text. The

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discussion then moved to what could/should be provided to families as information. Sandra did note that from experience, in many situations, no matter what the level of detail it does not seem to satisfy. Effectively no level of detail is enough. It was noted that the translator reviews the document from start to finish and the provision of an indexed list of errors would be costly and time consuming. This kind of cost would need to be borne by the family in question. As a result, the consensus was that moving forward (meaning from October 31, 2009, onwards), some general information (summary) as to the documents in the file that needed correction be identified by the translator as part of the costing provided to CB, and this could be conveyed to the families by CB.

Q5 When are statements of account issued? Why are there no receipts issued when payments are made? (Neela Venkatesh Prashad)

A5 Sandra noted that the policy is to provide a final statement (that is used for tax purposes) when the adoption is completed. Interim statements can be issued prior to travel or on request. However, as with the earlier discussion on interest and bank fees, the respective bookkeeping costs associated with monthly updates are prohibitive. Also one's bank statement and or copy of cheque has been presumed to be a proxy for a payment receipt.

Comment/Discussion (Neela Venkatesh Prashad)

Neela noted her and her husband's dissatisfaction with the manner in which communication has been handled for their specific program. The specific program manager provided a rosy picture of the program and related process, but that has not been the case. She would like to see some transparency in the process.

Sandra admitted that communication weaknesses do exist in the program areas and that CB is working on them. She noted that for the program manager for this program and other programs located in the region, the time difference literally means being on call 24/7. As context she illustrated the challenge of being up all night trying to get information and then trying to get some sleep before getting back to families who are seeking information during the next day. She also noted that there is a risk for this specific program when individuals go on their own to get information or make arrangements in country. Such activities can and do interfere with the overall adoption program and its progress. This specific country places information in the public domain about its adoption program, but the reality in practical terms is different. The organization's (CB's) emphasis has been on the in country aspect of this and other programs so that ultimately adoption referrals are received. She reiterated that CB recognizes the need to improve communication with families in process.

Q6 Relating to the discussion on communication, could there be a volunteer component that handles some of the communication and alleviate pressures on staff? (Pam Tompkins)

A6 This was a good idea with the potential for further exploration.

Related discussion: The whole group discussed the possible ways that this could be enacted. Considerations for level of detail as well as confidentiality were raised. The take away from the question and its related discussion is that this is

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an idea with merit and potential. CB needs to examine this and a possible volunteer component.

Comment/Discussion (Bonni MacGregor)

Bonni commented on the strength and usefulness of the post adoption services offered by CB. She identified herself as a strong proponent of these services and wished that more CB families took advantage of them. Even so, these services are valuable for those families that use them. She also recognized that CB is dealing with a number of financial issues. As a result she wanted it on record that if the Board was considering cuts in post adoption services to please consider cuts elsewhere if at all possible.

Comment/Discussion (Bonni MacGregor and Jennifer Dawson)

Both members urged caution concerning new programs given the recent media uptake in human trafficking stories, including those on children. Both members had to speak to their children who started asking difficult questions as a result of what they were hearing/reading in the media on the subject. They also suggested that existing programs, if not already done so, be reviewed occasionally from this perspective.

Q7 Relating to CB finances, could the Agency reduce costs by either reducing the office space or vacating its current location? (Bonni MacGregor)

A7 All options were on the table. A sub lease or hiving off of space was deemed not practical as it would create more issues relating to storage and placement of remaining staff. Also the savings would be more than offset by the costs associated with finding alternative arrangements. A lease break was also considered but the penalties associated with such an action in the short term were such that it would take a considerable amount of time to recoup through savings.

Comment/Discussion (Lynne Richer)

In closing Lynne noted that communication with families at least from her perspective is an issue that is "devastating". She is glad to hear the Board is aware of this issue and working with the staff on it. She noted that earlier it was mentioned that the referral is the end result. However, she felt that the "how to" part was just as important as the end result. She reiterated her feelings that she and her husband tried to engage with CB in a constructive manner but were replied to in a defensive manner. She is noted she is open to being part of any working group and helping with the issue of communication.

Motion to adjourn:

Moved by Menno Spyker

Seconded by Sitaramachar Venkatesh Prashad

Meeting adjourned at 3:20pm.