**Shoreham Village**

**Board of Directors Meeting – Minutes**

**June 8, 2022**

**Present (via teams):** Alice Leverman, Patsy Brown, Liz Finney, Joseph Green, Andrew Snyder, Brian Webb, Charlie Teal, Janet Simm, Reinhard Jerabek and Jennifer Tucker.

**Guest (via teams):** Jamie Welsh and Andrea Wilkie, Baker Tilly

1. **Welcome and introductions**

The Chair called the meeting to order at 4:01pm. Jamie Welsh and Andrea Wilkie with Baker Tilly were welcomed to the meeting via teams.

1. **Audit Presentation**

Report to the Board of Directors – Audit Results were presented by Jamie Welsh, Baker Tilly

* Audit is substantially complete.
* No material uncertainties were found
* This year, the Audit was not based on the budget, it was based on substantive evidence, such as PDF documents. This is a detailed audit approach. In the future, a budget approach would be used.
* 75-80% of expenses are related to payroll. Controlled testing was done by collecting 30 samples. No errors were found, so the number of samples can be reduced in the future.

This was the only controlled testing done this year. Next year we can rely on other internal controls.

* The materiality rate is 2 ½% of expenses, which is $210,000.
* The most detailed work was completed in 4 areas: Revenue, Deferred revenue, payroll, and residents’ funds held in trust.
* 1 adjusting journal entry was required. Management promptly made the adjustment.
* Clean error summary. No unusual transactions, or concerns of fraud or error were found.
* Negative assurance was provided by Baker Tilly on the SV/NW Partnership Agreement. They do not provide opinions regarding the success of the partnership agreement, only that they did not discover any conflicting evidence with the agreement during the audit process.

The Board did not like the wording “Baker Tilly expressions no comfort on the terms of the agreement”. This sounds like a negative statement. Jamie clarified that this is a negative option as they only read the agreement to ensure that practices are inline with the agreement, and can not provide information as to whether it is a “good” agreement for the organization.

The Board preferred to have the word “comfort” replaced with “opinion”. Jamie will make this change.

* No issue of disagreement. Meaning that no other accountants were called upon to resolve any indifferent opinions between Baker Tilly and SV.
* Under Journal entry user statistics, it shows the user ID of all staff that make journal entries for SV. One user ID – Student12 – made journal entries totally the 2nd highest dollar value. This was investigated and discovered that this user ID is used by co-op students. Concern was expressed by Baker Tilly with having a student ID making large entries.

It was determined that the dollar amount consisted of only 4 entries and all students are supervised and have their own unique user ID and password.

* SV team were responsive of any request for information.
* The journal entry error rate for SV is 0.2%. This is in the top percentage compared to other similar organizations.
* The risk level was set at “moderate”. This is because it is their first time doing our audit. Next year, if the outcome of the audit is similar to this year’s, then the risk level would probably be rated “low”.

*Draft Audited 2021-2022 Audited Financial Statements – Presented by Andrea Wilkie, Baker Tilly*

* $380,000 surplus.
* 1.1 to 1 liquidity ratio. This is how quickly it would take to pay off liabilities using assets.
* DSLC funding is relied upon in order for the organization to function.
* SV is in a stronger position this year, compared to last. Ratios have increased.

Good job to the management team.

* Investments – Acquisition of capital assets $753,317 – This money is for the new facility planning.
* Baker Tilly’s final report:
* A clean opinion is being given by Baker Tilly.
* Management was great to work with and the year is ending with a significant surplus.
* Extremely high quality of work was gathered from the team, and it was an excellent financial team to work with.
* The Chair and Vice-Chair will need to sign the Balance Sheet. Andrea will email the document, which can be signed using Right Signature. Andrea will get the Chair and Vice-Chair’s email address after the meeting.

The management representation letter will need to be signed by Reinhard.

* Jamie asked if there was anything else that SV would like to disclose to Baker Tilly before the Board makes a motion on the approval of the audit reporting and the draft financial statements.
* The CEO mentioned that we are waiting on approval from DSLC on the new facility design. They gave their approval of the resident care areas, but not on the core building design.
* Reinhard noted that the first draw from the Housing NS funding has been made for the renovation project.

***Motion to accept the 2021-2022 Audited Financial Statements as of March 31, 2022, and the Audit Finding Report. Brian Webb/Joseph Green. Motion Carried.***

1. **Approval of Agenda**

The Chair moved agenda item #5 – Audit Presentation, to item #2 on the agenda.

***Motion to approve agenda as amended. Liz Finney and seconded by Patsy Brown. Motion carried.***

1. **Approval of Minutes – April 20, 2022; May 18, 2022 (Attachment)**

***Motion to approve minutes from the April 20, 2022 meeting. Joseph Green and seconded by Andrew Snyder. Motion carried.***

The following corrections to the May 18th minutes were noted:

* Under 4.1 “Financial Statements to February 28, 2022”, first bullet – should read “ …will soon be withdrawn”
* Under 5.4 “NW/SV Agreement Evaluation Indicators” – should read “unanimously agreed”
* Under 7.2 “Roseway Manor” – 2nd bullet – should read “….so that we are prepared in the event that this should become an issue in our community in the future”

***Motion to approve minutes as amended from the May 18, 2022 meeting. Joseph Green and seconded by Brian Webb. Motion carried.***

1. **Business Arising**
	1. **Agreement Update**
* NW legal counsel has reviewed the SV/NW partnership agreement. They are substantially done with their review. No issues have been found thus far. There are a few items that need to be clarified - nothing substantial. Janet will circulate any requested changes asap.
	1. **Draft Q&A (Attachment)**
* The Board determined that all Board members should have the Q&A document; however, it will only be used as a responsive tool. A document that the Board could refer to if any questions should arise.
* There were two redundant questions: “Has Shoreham Village been sold to Northwood?” and “Does Northwood own Shoreham Village?”.
* It was noted that the following question did not appear to be answered – “Could Shoreham Village be sold?”. This is an open question, as the future Board can make decisions on what they feel is best for the organization, which could potentially include SV being sold. Clarification should be included.
* The CEO and Board Chair will work on the requested revisions and send out to the Board.
	1. **Board Planning Cycle (Attachment)**
* A Board Planning Cycle until 2027 has been created by the CEO. This cycle can be adjusted / added to as needed.

* 1. **Auditor Contract**
* Baker Tilly provided a clear explanation of items outlined in their audit report and the draft financial statements. The Board felt comfort in their reporting and were very impressed with the job done.
* Fiscal year ended with a significant surplus. A surplus is good to see, however, too much surplus can indicate an underlying concern. In this case, the surplus primarily came from vacant positions that could not be filled. The Traveling Nurses Program, which is a provincial program assisting long term care facilities with temporary staffing support, was provided to us by the province at no cost, to help fill these vacancies. Normally we would have had to fill the vacancies by using agency staff, which would reduce our surplus.

***Motion to request that our contract with Baker Tilly be extended for 3 years, pending the outcome of Reinhard having a discussion with Baker Tilly regarding the contract details. Brian Webb and seconded by Joseph Green. Motion Carried.***

Reinhard will speak to Baker Tilly about starting this process, and will request fee details. He suspects that this could be arranged before the AGM.

1. **Draft AGM Agenda**

No additions

1. **AGM Invitations**
* The Chair asked if the Board had any special invites that should be sent out for the AGM. The Board decided that they would like to keep the AGM low key this year, and not send out any special invites.
* Josie Ryan and Cathy McNaughton, SP Dumaresq Architect Ltd will be attending the AGM to do a presentation of the progress on the new facility design.
* The Chair gave a reminder that the Board Manual will need to be approved, once the SV/NW agreement is finalized.
* Mr. Charles Teal and Dr. Allison Kellum have both agreed to join the Board.
* Joseph Green received a nomination for Chair and Liz Finney received a nomination for Vice-Chair. They have both expressed their wiliness to have their names put forth.

Andrew Snyder has agreed to become the Chair of the Nomination Committee.

The Chair thanked Joseph, Liz and Andrew for stepping up to fill these positions.

1. **Meeting Evaluation**

Meeting went well. Pleased to see that there were no technical difficulties.

1. **Next Meeting:**
* **June 15, 2022, 4:00 AGM**
1. **In Camera**
2. **Adjournment**

***Motion to adjourn at 5:25 pm. Joseph Green. Motion Carried***

 *Recording Secretary,*

 *Tammy Conrad*

 *Shoreham Village*