**Shoreham Village**

**Board of Directors Financial Meeting – Minutes**

**June 16, 2023**

**Present (via Teams)** Joseph Green, Elizabeth Finney, Andrew Snyder, Brian Webb, Alison Kelland, Colleen Richardson, Charlie Teal, Janet Simm, and Peter Bentley.

**Regrets:** Reinhard Jerabek

**Guests** Andrea Wilkie, Baker Tilly; and Allison Jiang, Baker Tilly

1. **Welcome and Introductions**
* The meeting was called to order at 4:00 pm
* The Chair welcomed Andrea Wilkie and Allison Jiang, Baker Tilly, and Peter Bentley to the meeting.

Reinhard was unable to attend the meeting, so Peter attended in his absence.

* Charlie Teal was welcomed as a returning member of the Board, and Colleen Richardson as a new member of the Board.
1. **Approval of Agenda**

***Motion to approve agenda as circulated. Alison Kelland and seconded by Brian Webb. Motion Carried.***

1. **Approval of Minutes – May 17, 2023**

***Motion to approve the May 17, 2023 minutes. Brian Webb and seconded by Alison Kelland. Motion Carried.***

1. **Finance Report**
	1. **Audit Presentation – Baker Tilley (Decision required)**
* Jamie Welsh was unable to attend the meeting
* The audit was consistent with previous years, and no concerns were identified.
* No change to audit approach. Tested controls with payroll function and transactions. No issues were found.
* Revenue is up 6%, and expenses are up 9% from prior year. Resident care expenses went from 4.6 million to 4.9 million. Contracted services, and repairs and maintenance has added to this increase.
* Cash balance has decreased, from $956,000 to $757,000 this year. This remains a healthy cash balance.

Current ratio is “1.14 to 1”. “1.1 to 1” is normal for a not-for-profit organization, so we are doing well.

* Capital additions were highlighted. The bus is mentioned under additions; however, it was a support vehicle purchased for staff that is being referenced.
* Notes remain the same each year.
* Materiality rate is 2.5% on expenses. This would be $224,000, which was $210,000 in prior years. Error of threshold is $11,200. If any errors were over this amount, then they would be brought to the Board for review.
* No new accounting policies
* Areas of focus were: resident funds held in trust, payroll, deferred revenue, and expenses. No risk was found.
* No audit adjustments were made, and no unusual transactions were found. No fraud or illegal acts were discovered.
* Requested information was delivered in a timely manner by Management.
* Data Analytics was added last year to clearly see year over year financials. 9 correcting journal entries, which indicates that good information was being received.
* No areas identified as high risk, and no transactions that couldn’t be supported as a “true” business expense.
* 5 to a 7 risk rate is what Baker Tilly would see when reviewing transactions from similar organizations. Shoreham was consistent with this.
* Baker Tilly is able to do a review for any specific period of time identified by the Board.
* Consistent journal entries to prior year.
* CCA retro of $102,000 was paid out, which resulted in the increase in payroll payments in July.
* “Student 2” is an account that accountant students use. There are limited number of entries under that ID, and for a small dollar amount. No risk identified.
* Dollar value of journal entries increased by 15%.
* Baker Tilly gave a risk level rate of “moderate”. This is the standard level risk rating that they would give for similar organizations. Limited transactions would result in an organization receiving a “low” risk level.
* The Management Representation Letter and Audited Financial Statements will need to be signed, once Baker Tilly gets notified by Peter that the Draft Financial Statements have been approved by the Board.

The Chair thanked Baker Tilly for the high level reporting. Andrea and Allison left the meeting.

**Motion to approve the Draft Financial Statements as presented. Moved by Brian Webb and seconded by Andrew Snyder. Motion Carried.**

Peter will notify Andrea of the Board’s approval.

The Board inquired about the process for extending the contract with Baker Tilly to a “multi-year” contract. Peter and the CEO suggested that it be moved at the Annual General Meeting to extend the contract with Baker Tilly for another year, and then explore a formal RFP process to extend for the coming years.

Peter cautioned the Board that the economical environment with inflation could still be a concern, when entering into a multi-year contract.

The Board determined that this discussion would be added to the September Board meeting agenda. Formal RFP guidelines would need to be established.

* 1. **Budget Presentation – Peter Bentley (Decision required)**
* Peter presented the 2023-24 Board of Directors overview
* Department of Seniors and Long Term Care (DSLTC) budget has not been received.
* The prior year’s budget was used and any “known changes” were included.

$243,000 in suspected changes were included.

* With the budget overview, funds received from residents gets subtracted from government revenue, and necessary adjustments are made.
* Additions to the budget are tracked in the CEO report and included in the Budget Overview.
* 8.8 million in expenses, compared to 8.7 million last year. $168,000 increase.
* Long Term Care Expenses – No recorded interest, as the last of our older loans has been paid off. There is some new long term debt, but it will be recorded as capital for the new building. It will be accruing, but will be capitalized.
* IC Designate - $1,700 consistently paid per month, but increased to $5,700 per month during a few month period. This was due to the implementation of the InterRAI system. Implementation is planned to happen between June and September. This $16,000 amount was added during those months to reflect implementation of the system.

Peter will find out what is being purchased, and send details to the CEO.

* There is a significant difference between Long Term Care Expenses and the DSLTC Budget for Dietetic Services. This is a result of the increase in food costs, and the underfunding in food costs provided by the department.

This is a long standing issue with government over food budget allocation. Health Association has an active initiative to put forth to government. Health Association has a collectively written letter to present to government. If there is no response, then they will escalate.

They hope this organized approach will help with movement on this issue. Food was the top area of concern on the resident survey.

* Protected and unprotected envelopes is where we could be at risk in the future. In the past, we have had to get creative in how we use our funding, sometimes taking from one area to help offset costs in other more important areas. With the funding envelopes we can no longer do this.

***Motion to approve the 2023-2024 Budget as presented. Moved by Andrew Snyder and seconded by Liz Finney. Motion Carried.***

1. **Quality Improvement/CEO Report/Risk Report**
	1. **New Building Project – Progress Report**
* The concept design submitted to government as part of the Step 3 submission has been approved.
* Government is evaluating hallway widths in the design. We don’t expect there to be any issues.
* The land that is part of the Land Swap Agreement with the Apartments still has a mortgage on it. The lender wants a formal survey done for land evaluation. This is underway and should be sent to the lender next week.

The Apartments Association has been very supportive throughout this process.

* There is currently a shared well agreement between Shoreham and the Apartments. In the future, there may be a possibility of us separating our water from the apartments. Exploration will need to be done with the Apartment Association to discuss pros and cons of this potential future arrangement.

We are exploring the options, but will not do anything that will put the apartments in a difficult situation.

* Staff Housing – The architect explored ways to use the donated land for staff housing, and did not find the land suitable for this type of development. The Chair and CEO are exploring another community opportunity.
* Welcomed our first refugee this week. Training has started and we are happy to have him join the team.
* The Chair mentioned that he had received notification from Erin Wagner that she has withdrawn her name from being considered as a new member of the Board.
* Charlie Teal and Colleen Richardson will be the names brought forth for consideration at the Annual General Meeting.
* If there are any suggestions for potential board members, please let Andrew know.
1. **Meeting Evaluation**
* Meeting was short and to the point
* Good presentation of financials
* It was helpful having all materials early
* Lots of information was shared
* To the new Board members – It can be an adjustment getting familiar with Board processes. If you have any questions or concerns, please reach out to the Chair.
* Baker Tilly presentation and the financial reporting was helpful.
1. **Next Meeting:**
	1. June 21, 2023, 4:00 pm – AGM
	2. June 21, 2023, 5:00 pm – Board meeting
2. **In Camera**

Nil

1. **Adjournment**

Meeting was adjourned at 5:35 pm. Brian Webb

 ***Recording Secretary,***

 ***Tammy Conrad***