**Shoreham Village**

**Board of Directors Financial Meeting – Minutes**

**June 5, 2024**

**Present (via Teams)** Joseph Green *(Chair),* Elizabeth Finney *(Vice-Chair)*, Andrew Snyder, Brian Webb, Alison Kelland, Colleen Richardson, Janet Simm, and Reinhard Jerabek.

**Guests:** Andrea Wilkie (*Baker Tilly)*, Courtney Grantham, (*Baker Tilly)*

**Present (in person)** Tammy Conrad *(Recording Secretary)*

**Regrets:** Charlie Teal

1. **Welcome and Introductions**

The Chair welcomed everyone to the meeting.

1. **Approval of Agenda**

***Motion to approve agenda as circulated. Andrew Snyder moved and seconded by Alison Kelland. Motion Carried.***

1. **Approval of Minutes – May 15, 2024**

***Motion to approve the May 15, 2024, minutes as circulated. Andrew Snyder moved and seconded by Colleen Richardson. Motion Carried.***

1. **Business Arising**
	1. **Provincial Board Governance Training follow up – Draft Whistle Blower Policy**

The draft policy was pre-circulated. Discussion and Feedback re the draft policy deferred until next meeting.

1. **Chairs Report**

The Chair has items to report in-camera, and Andrew will discuss nominations.

1. **Financial Monitoring**
	1. **Budget review/approval**

***Reinhard provided an overview of the 2023-25 Budget.***

* Based on the November SLTC budget.
* The budget previously referred to “COVID-19 funding” but is now referred to as “Other special funding”. Funding for Long Term Care Assistants (LTCA) is included in the special funding.
* 10% increase in revenue from SLTC. Increase of approximately $700,000.
* Funding is no longer broken into independent categories by SLTC for unprotected items. We determine which items would be included under this funding.
* Small increases in most areas. Significant increase in Resident Care as the CUPE and NSNU collective agreement increases are included.
* Substantial increase in medical and dental benefits and increases in utilities and property taxes.

$13,000 increase in the NW agreement.

* The team is doing their best to manage and adjust to the new protected and unprotected funding model.

Auditors are pleased with how the team has been managing the new model of funding.

It is helpful to have our first special reporting, which should hopefully assist us in finding areas for improvement.

* There is a considerable amount of invoicing related to the new build.

Once we go to tender there should be a reduction as invoicing will go through the project manager.

***Motion to approve the 2023-25 Budget as presented. Andrew Snyder moved and seconded by Alison Kelland. Motion carried.***

* 1. **Audited Financial Statements to March 31, 2024**

***Courtney Grantham (Baker Tilly) presented the Audit Results Report.***

* A formal audit reporting letter will be issued.
* The audit consisted of a combined approach.
* Materiality rate was set at 2.5% on expenses. The rate was set at $250,000, so any error in expenses above $12,500 would require an adjustment.
* No changes in accounting policies.
* Risk based audit approach. Higher risk areas such as payroll, resident trust accounts, deferred revenue, and management override of controls would be given extra review.
* No concerns with the management agreement, and no unusual transactions or findings of fraud or illegal acts.
* Auditors had full access to management and cooperation during the audit. The process was smooth with good support.
* Data analytics was used as an additional way to view data.
* Slight increase in journal entries found during testing.
* 16 indicators are used during journal entry testing. Any areas that received a rating of 5 or higher was tested.
* A new slide was added to the report that shows active employees. The report is useful to see changes in staffing over the years. In the past few years there has been a significant increase in new staff.
* No unusual trends in the data findings and current ratio are inline with expectations.
* Baker Tilly gave a risk level of “moderate”. This is the standard level risk rating that they would given for similar organizations.

***Andrea Wilkie (Baker Tilly) presented the Audited Financial Statements.***

* Baker Tilly provided a clean audit opinion.
* The Management Representation Letter and Audited Financial Statements will need to be signed.
* 9.5% increase in revenue. 11.8% increase in expenses
* 21% salary increase. Result of retro pay from the collective agreement and the essential services benefit paid to staff.
* Deficit of $66,000. This would be considered a break-even budget for a not-for-profit organization.
* No funds needed to be moved from the “unrestricted” to “internally restricted” asset section.
* Cash balance is $557,000. This is a healthy cash balance.
* Additional funding is available to fund new build costs. A promissory note was added several years ago to the NW funding agreement that Shoreham could make draws as needed. A request was submitted to the CEO to make another draw on funds. There are constant fluctuations due to the new build costs.
* Capital Asset Note – 2.9 million in cost for new build. No amortization as building is not in use.

$45,000 of interest was capitalized to be used for the new build.

* ***It was asked if there were any Commitments of the Board that needed to be recognized.***

It was noted that the Foundation had agreed to provide funding for the family room in our new build.

Andrea confirmed that this would not need to be reported on the statements.

***Andrea presented the special reporting on the protected and unprotected funding.***

* It was noted that the opinion given on this report is different than an audit opinion.
* The reporting included 5 months end March 2023, and the current 12-month current year period.
* $84,000 we are required to pay back to SLTC from the protected funding.
* Raw foods cost exceeded the funding provided. SLTC funding will not be provided to cover the additional costs.
* Baker Tilly requested that the Board reach out if they have any questions.

***Motion captured during in-camera session and submitted by the Chair.***

***Motion to approve the Audited Financial Statements to March 31, 2024, as circulated and presented. Andrew Snyder moved and seconded by Liz Finney. Motion Carried.***

1. **Next Meeting**
	1. **AGM, June 19, 2024 – 4 pm**
	2. **Board meeting – 5 pm**
2. **In Camera Session with Auditors**

Meeting moved In-Camera at 4:55 pm

1. **Adjournment**

 ***Recording Secretary,***

 ***Tammy Conrad***