**Shoreham Village**

**Board of Directors Financial Meeting – Minutes**

**June 11, 2025**

**Present (via Teams)** Joseph Green *(Chair),* Andrew Snyder, Alison Kelland, Denise Peterson-Rafuse, JoAnne Harris, Charbel Daniels, and Reinhard Jerabek.

**Guests (via Teams)** Andrea Wilkie (*Baker Tilly)*, Courtney Grantham, (*Baker Tilly)*

**Present (in person)** *Elizabeth Finney* andTammy Conrad *(Recording Secretary)*

**Regrets:** Colleen Richardson

1. **Approval of Agenda**

***Motion to approve agenda as circulated. Andrew Snyder moved and seconded by Denise Peterson-Rafuse.***

***Motion Carried.***

1. **Approval of Minutes – May 21, 2025**

***Motion to approve May 21, 2025, minutes as circulated. Alison Kelland and seconded by Andrew Snyder. Motion Carried.***

1. **Financial Update – *Reinhard Jerabek***

* Year end surplus is $190,000. Budgeted deficit of $70,000.
* Service agreement was signed, and funds were received in January from DSLTC. This included funding for a 4.1 increase in resident care hours (retro paid to September). $500,000 will need to be returned to the DSLTC, as we were unable to fill those hours of care during that time.
* Environmental, Facility Services, and Dietary were under budget. Dietary was over budget in raw food costs, but under budget in staffing.
* Denise has information to share about potential future partnerships. She will email the details to the Chair.

1. **Audited Financial Statements to March 31, 2025**

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

* A formal audit reporting letter will be issued.
* Audit approach will consist of combined tested controls of payroll functions and standard testing in other areas.
* Materiality rate was set at 2.5% of expenses, which is a $250,000. This is consistent with 2024.

Threshold is $12,500. Errors above that would require an adjustment.

Courtney noted that any errors found are brought to managements attention, it’s just errors that exceed that threshold will need to be posted in the financial statements.

* 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 changes to accounting policies
* Misstatements – No corrections identified. Shoreham is one of the few organizations that have no adjustments found during audit.
* No unusual transactions outside normal course of business
* ***Courtney asked if the Board were aware of any conflict of interest or related party transactions in the Executive management, Board of Directors, or spouses.*** Board had no concerns to disclosure.
* No concerns with the management agreement. Operational support provided by NW to SV appears to be inline with the agreement with no unusual transactions or finding of fraud or illegal acts.
* No internal control matters
* No fraud, illegal matters
* There were no difficulties during audit. Auditors had full support of management in collection of information.
* Data analytics used to assist with audit and reporting
* Current ratio is 1:1 (adjusted for deferred revenue)
* Journal entries are tested and run through analytics. System looks for trends from prior years. In March the number of journal entries and dollar value increased from 2024. This was related to the new build.

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

* Baker Tilly provided a clean audit opinion
* The Management Representation Letter, Audited Financial Statements and balance sheet will need to be signed.
* $187,000 year end surplus. Budgeted deficit was $70,000. $10.2 million in revenue and $9.6 million in expenses. Surplus driven by higher revenue
* No transfers from unrestricted to internally restricted funds.
* Healthy $2.2 million cash balance, current ratio is equating ratio 1:1 (adjusted for deferred revenue).
* Long term debt note – Will increase due to new build construction costs.
* Capital assets note – Increased from $2.9 million to $9.8 million. $167,000 in accumulated interest.
* Commitments – Construction Contract with RCF for the new build was added as a commitment.
* Protected Envelope Reporting – $527,000 due to DSLTC. Related to the 4.1 increase in resident care hours.

1. **In Camera Session with Auditors**

Meeting moved In-Camera at 4:58 pm.

1. **Adjournment**

***Recording Secretary,***

***Tammy Conard***