



Financial statements

Acclaim Health and Community Care Services

March 31, 2022

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Independent auditors' report

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To the Board of Directors of
Acclaim Health and Community Care Services

Opinion

We have audited the financial statements of **Acclaim Health and Community Care Services** ("the Organization"), which comprise the balance sheet as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of **Acclaim Health and Community Care Services** as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Mississauga, Canada
June 7, 2022

Chartered Professional Accountants
Licensed Public Accountants

Acclaim Health and Community Care Services

Balance sheet

March 31 2022 2021

Assets

Current

Cash and cash equivalents	\$ 3,481,815	\$ 7,559,938
Short-term investments (Note 3)	398,773	796,209
Accounts receivable	1,859,351	2,487,410
Prepaid expenses	<u>330,049</u>	<u>284,457</u>
	6,069,988	11,128,014

Investments (Note 3)	215,280	303,329
Capital assets (Note 4)	12,458,804	8,307,878
Intangible asset (Note 5)	-	130,000
Goodwill (Note 6)	<u>1,270,000</u>	<u>1,470,000</u>
	\$ 20,014,072	\$ 21,339,221

Liabilities

Current

Accounts payable and accrued liabilities (Note 7)	\$ 2,226,660	\$ 4,684,311
Current portion of mortgage payable (Note 8)	-	69,000
Deferred income	<u>848,393</u>	<u>239,598</u>
	3,075,053	4,992,909

Mortgage payable (Note 8)	-	1,518,000
Deferred capital contributions (Note 9)	<u>6,683,004</u>	<u>5,812,548</u>
	9,758,057	12,323,457

Net assets

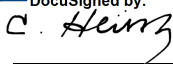
Net assets invested in capital assets	4,082,185	908,330
Net assets internally restricted (Note 10)	1,383,997	1,383,997
Unrestricted net assets	<u>4,789,833</u>	<u>6,723,437</u>
	10,256,015	9,015,764

\$ 20,014,072 **\$ 23,339,221**


Commitments and contractual obligations (Note 13)

Credit facilities (Note 16)

On behalf of the Board

DocuSigned by:

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Chairperson

DocuSigned by:

 180312FCC427494... Vice Chair

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Changes in Net Assets

Year ended March 31, 2021

	Invested in Capital Assets	Internally Restricted (Note 10)	Unrestricted	2022 Total	2021 Total
Balance, beginning of year	\$ 908,330	\$ 1,383,997	\$ 6,723,437	\$ 9,015,764	\$ 8,742,588
Excess (deficiency) of revenues over expenditures	(760,693)	-	2,000,944	1,240,251	273,176
Purchase of capital assets	4,581,620	-	(4,581,620)	-	-
Repayment of mortgage	1,518,000	-	(1,518,000)	-	-
Capital contributions received in the year	<u>(2,165,072)</u>	<u>-</u>	<u>2,165,072</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 4,082,185</u>	<u>\$ 1,383,997</u>	<u>\$ 4,789,833</u>	<u>\$ 10,256,015</u>	<u>\$ 9,015,764</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Operations

Year ended March 31, 2021

	<u>Fund Type 2</u>	<u>Fund Type 3</u>	<u>2022</u>	<u>2021</u>
Revenues				
Fees for service	\$ 136,656	\$ 26,581,573	\$ 26,718,229	\$ 25,362,701
Government funding (Note 11)	5,386,609	1,814,287	7,200,896	7,213,214
Donations and community grants	396,073	1,535,432	1,931,505	865,027
Amortized deferred capital contributions	129,317	-	129,317	-
Other income	19,476	73,496	92,972	122,662
Investment income	-	22,751	22,751	113,628
	<u>6,068,131</u>	<u>30,027,539</u>	<u>36,095,670</u>	<u>33,677,232</u>
Expenditures				
Salaries	4,675,011	21,374,432	26,049,443	25,415,218
General expenses (Note 15)	2,005,658	961,052	2,966,710	2,958,772
Employee benefits	553,708	2,441,313	2,995,021	2,796,925
Occupancy costs	1,160,587	205,817	1,366,404	838,756
Program supplies	94,300	362,134	456,434	610,560
Employee pension	123,550	293,909	417,459	424,941
Equipment costs	190,131	90,951	281,082	254,229
Office expenses	99,833	23,033	122,866	104,655
Corporate services allocations	<u>(2,672,343)</u>	<u>2,672,343</u>	<u>-</u>	<u>-</u>
	<u>6,230,435</u>	<u>28,424,984</u>	<u>34,655,419</u>	<u>33,404,056</u>
Excess (deficiency) of revenues over expenditures before other expenses	(162,304)	1,602,555	1,440,251	273,176
Other expenses				
Impairment loss on goodwill (Note 6)	-	200,000	200,000	-
	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	\$ (162,304)	\$ 1,402,555	\$ 1,240,251	\$ 273,176

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Cash Flows

Year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 1,240,251	\$ 273,176
Charges not involving cash		
Amortization (Note 4)	430,694	243,929
Amortization of intangible asset (Note 5)	130,000	-
Loss on goodwill impairment (Note 6)	200,000	-
Unrealized gain on investments	648	(38,687)
	<u>2,001,593</u>	<u>478,418</u>
Change in non-cash working capital items		
Accounts receivable	628,059	(1,161,991)
Prepaid expenses	(45,592)	(79,969)
Accounts payable and accrued liabilities	(2,457,651)	2,425,699
Deferred income	608,795	139,861
	<u>735,204</u>	<u>1,0802,018</u>
Cash flows from financing activities		
Payment of mortgage payable	(1,587,000)	(69,000)
Deferred capital contributions received	870,456	2,795,969
	<u>(716,544)</u>	<u>2,726,969</u>
Cash flows from investing activities		
Purchase of investments	(799,642)	(772,523)
Maturity of investments	1,284,479	6,064,300
Acquisition of CalaCare goodwill and intangible asset	-	(1,600,000)
Purchase of capital assets	(4,581,620)	(3,800,154)
	<u>(4,096,783)</u>	<u>(108,377)</u>
Net (decrease) increase in cash and cash equivalents	(4,078,123)	4,420,610
Cash and cash equivalents, beginning of year	<u>7,559,938</u>	<u>3,139,328</u>
Cash and cash equivalents, end of year	\$ <u>3,481,815</u>	\$ <u>7,559,938</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

1. Nature of operations

Acclaim Health and Community Care Services (Acclaim Health or the “Organization”) is a community based health organization dedicated to the provision of quality and cost effective health related services. Services currently provided by the Organization include Nursing, Home and Personal Support, Community Support, Alzheimer Services and Palliative Care Consultation Program.

The Organization is a registered charitable organization, registered under the Income Tax Act (the “Act”) and, as such, under paragraph 149(1)(f), is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Business combinations

Business combinations occur where the Organization (as an acquirer) obtains control over one or more businesses and results in the consolidation of assets, and liabilities on the date of the transaction.

Business combinations are accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. Business combinations are accounted for from the date control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognized in the financial statements. The Organization recognizes acquisition and related costs, in the period incurred, and records these costs to general expenses in the statement of operations.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. Goodwill is recognized as the excess of the fair value of consideration given.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and investments having a maturity of 90 days or less. Restricted cash and other borrowings to finance capital and operating expenditures are considered to be financing activities.

Financial instruments

The Organization’s financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, long-term investments, accounts payable and accrued liabilities, and mortgage payable. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost, except investments which are measured at fair value. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Amortization is provided as follows:

Building	15-40 years, straight-line basis
Office and information technology equipment	4-10 years, straight-line basis
Property and building improvements	5-20 years, straight-line basis

Capital assets are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of capital assets is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

Revenue recognition

The accounting for contributions is based on the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Endowment contributions are recognized as direct increases in net assets. Unrestricted investment income is recognized as revenue when earned. Fees for service revenue is recognized as revenue in the period in which the related service has occurred.

Government assistance received related to current expenses are recognized in the statement of operations. When government subsidies relate to future expenses, the Organization defers the assistance and recognizes it in the statement of operations as the related expenses are incurred.

Fund Type 2 relates to funding received directly from the Ministry of Health and other revenue such as fee-for-service related to Ministry of Health-funded programs, grants and donations. Fund Type 3 relates to revenue received from all other sources.

Corporate services allocations

Corporate services are allocated to various departments within the Organization based on each department's proportionate share of operating expenses, with the exception of Pension contribution costs relating to the Acclaim Health Pension Plan.

Employee pension plan

The Organization recognizes the defined benefit obligation, net of the fair value of plan assets on the balance sheet. Current service and finance costs are expensed during the year, while remeasurements and other items, representing the total of the difference between actual and expected return on plan assets, actuarial gains and losses, and past service costs, are recognized as a direct increase or decrease in net assets. The Organization has elected to use an actuarial valuation prepared for funding purposes to measure the defined benefit obligation in respect of its pension plan. The defined benefit obligation is determined using a rollforward technique to estimate the accrued obligation using funding assumptions from the most recent actuarial valuation prepared at least every three years.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Defined benefit pension plan assets are measured at fair value at the date of the balance sheet.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the period. Actual results could differ from those estimates.

Intangible assets

Intangible assets are comprised of customer lists. The useful life of these assets was determined to be one year.

Goodwill

Goodwill represents the excess of the purchase consideration paid for an enterprise over the net of the fair value of the assets acquired and liabilities assumed. Goodwill is not amortized. Goodwill is tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the reporting unit to which the goodwill is assigned may exceed the reporting unit's fair value.

3. Investments

Short-term investments consists of guaranteed investment certificates (GIC) bearing interest at rates ranging 1.5% to 1.6% and maturing between May 2022 to May 2023.

In 2015, the Organization undertook two separate investments with the Oakville Community Foundation. The first of these was the transferring of the Bradley Endowment Fund, which had a principal amount of \$100,000. The principal amount of this fund shall remain as an endowed amount with the Oakville Community Foundation and is not disclosed in these financial statements, with the Organization being entitled to the income earned on this investment. The second investment of principal and interest is valued at \$215,280 (2021 - \$201,922) and is held in the Oakville Community Foundation's Investment Pooling Account. This investment can be redeemed at any time by the Organization, with 30 days' notice. There is, however, no intention to redeem this investment within the next fiscal year, and as such it has been classified as a long term investment.

	<u>2022</u>	<u>2021</u>
Oakville Community Foundation	\$ 215,280	\$ 201,922
Term deposits (matures past 12 months)	<u>-</u>	<u>101,407</u>
	<u>\$ 215,280</u>	<u>\$ 303,329</u>

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

4. Capital assets			<u>2022</u>	<u>2021</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 1,765,659	\$ -	\$ 1,765,659	\$ 1,765,659
Building	10,807,688	1,238,770	9,568,918	552,280
Construction in progress	-	-	-	5,214,933
Office and information technology equipment	1,456,522	834,756	621,766	189,250
Property and building improvements	<u>809,313</u>	<u>306,852</u>	<u>502,461</u>	<u>585,755</u>
	<u>\$ 14,839,182</u>	<u>\$ 2,380,378</u>	<u>\$ 12,458,804</u>	<u>\$ 8,307,878</u>

Included in equipment costs and occupancy costs is a total of \$430,694 (2021 - \$243,929) of capital asset amortization expense.

5. Intangible asset

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 130,000	\$ -
Additions	-	130,000
Amortization expense	<u>(130,000)</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 130,000</u>

6. Business combination and goodwill

On December 1, 2020, the Organization acquired 100% of the issued common shares of CalaCare Ltd. (CalaCare) for cash consideration of \$1,600,000. CalaCare operated a home health care business in Oakville, Burlington, Milton, Mississauga and Brampton, Ontario. Immediately after the acquisition, CalaCare was wound up, and the operations are continuing within Acclaim Health. The Organization executed the transaction pursuant to its strategy of growth through acquisition. Specifically, the Organization believes the acquisition provided it with the opportunity to diversify its services and providing nursing and personal support to those in need.

The business combination was accounted for using the acquisition method. The acquisition of employees and access to clients resulted in an intangible asset represented by a customer list of \$130,000 and goodwill of \$1,470,000.

The Organization accounted for this business combination by applying the acquisition method of accounting.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

6. Business combination and goodwill (continued)

The balance of the goodwill is as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,470,000	\$ -
Additions	-	1,470,000
Impairment	<u>(200,000)</u>	<u>-</u>
Balance, end of year	<u>\$ 1,270,000</u>	<u>\$ 1,470,000</u>

Due to circumstances regarding the loss of certain employees associated with the acquisition of Calacare in December 2020, the Organization determined that there were indicators that the carrying amounts of goodwill may exceed its fair value. The Organization has assessed that the operations of the business represent three reporting units. Based on the results of the goodwill impairment test, the Organization has assessed that the carrying amount of goodwill exceeds its fair value by \$200,000 and a goodwill impairment loss in this amount has been recorded in the statement of operations for the year ended March 31, 2022.

7. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Accounts payable and accrued liabilities	\$ 1,769,227	\$ 2,747,832
Surplus repayable to Ministry of Health	403,709	369,900
Payroll source deductions payable	41,440	78,887
Pension plan payable	12,284	228,964
CalaCare transaction and acquisition costs payable	<u>-</u>	<u>1,231,728</u>
	<u>\$ 2,226,660</u>	<u>\$ 4,684,311</u>

8. Mortgage payable

	<u>2022</u>	<u>2021</u>
Mortgage payable bearing interest at prime plus 0.5% per annum, repayable in monthly principal payments of \$5,750.	\$ -	\$ 1,656,000
Less current portion	<u>-</u>	<u>(69,000)</u>
Long-term portion	<u>\$ -</u>	<u>\$ 1,518,000</u>

During the year, the Organization repaid the mortgage.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

9. Deferred capital contributions	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 5,812,548	\$ 3,016,579
Capital contributions recognized in revenue	(1,348,739)	-
Restricted capital donations received	<u>2,219,195</u>	<u>2,795,969</u>
Balance, end of year	<u>\$ 6,683,004</u>	<u>\$ 5,812,548</u>

Deferred capital contributions include amounts collected through the capital campaign and mortgage campaign for the purchase and renovation of a newly acquired building, which houses current and expanded services of the Organization's Alzheimer's program. As construction was completed during the year, the building has been put into use and the deferred capital contributions are being amortized into income as the related assets are amortized.

10. Internally restricted net assets	<u>2022</u>	<u>2021</u>
Lindsay/Werry Educational	\$ 23,997	\$ 23,997
Matthews Library	10,000	10,000
Severance Contingencies	1,100,000	1,100,000
Pension Fund	<u>250,000</u>	<u>250,000</u>
	<u>\$ 1,383,997</u>	<u>\$ 1,383,997</u>

Individual reserve descriptions are as follows:

(a) Lindsay/Werry Educational Reserve

The Lindsay/Werry Educational Reserve was established to provide resources for continuing education needs.

(b) Matthews Library Reserve

The Matthews Library Reserve was established to provide for the ongoing library resources for the Organization.

(c) Severance Contingencies Reserve

The Severance Contingencies Reserve was established to provide for severance contingencies.

(d) Pension Fund Reserve

The Pension Fund Reserve was established for pension fund solvency and wind up.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

11. Government funding

The amounts received of \$5,386,609 (2021 - \$4,586,929) from the Ministry of Health provide funding for the ongoing operations of Alzheimer Services, Community Support Services, and the Palliative Care Consultation Program.

The amounts received of \$1,814,287 (2021 - \$2,368,084) from the Hamilton, Niagara, Haldimand and Brant Community Care Access Center (CCAC) and Mississauga Halton CCAC for temporary pandemic pay to provide additional support for eligible workers in the home and community care sector.

12. Pension costs and obligations

Effective October 16, 2006, the Organization created its own pension plan when it ceased membership with Victorian Order of Nurses Canada ("VONC"). Similar to the VONC Plan, the plan provides benefits to employees through participation in a contributory, defined benefit plan for all eligible employees. The pension benefits are based on years of pensionable service and final average earnings. The annual funding requirements are determined in consultation with the actuaries to provide long-term stability to the plan.

The plan mirrors the VONC Plan with the addition of a provision that obligates the Organization to make an employee "whole" in the event that pension benefits available to a retiring employee under the new plan are less than what he or she would have received under the VONC Plan.

Effective September 30, 2010, the defined benefit provision of the plan was closed to new members and the services and earnings were frozen for all current plan members as at that date.

This event triggered a curtailment resulting in the reduction of the accrued benefit obligation and the recognition of the entire unamortized past service and unamortized actuarial losses. Accordingly, a net curtailment loss of \$486,700 was recognized.

An actuarial valuation for funding purposes must be conducted, at a minimum, every three years. The most recent valuation was completed as at December 31, 2018 by Aon Hewitt. On May 7, 2019, the Board of Directors resolved to wind up the defined benefit pension plan effective December 31, 2018 to settle the assets and liabilities of the Plan in accordance with the Plan and the provisions of the Pensions Benefit Act (Ontario) and the Income Tax Act (Canada). A funding surplus of \$461,500 was determined under the assumption that the plan is a going concern which will be funded by continued employer contributions. Aon Hewitt also certified that as at the valuation date, there was a solvency deficit of \$979,900 in the plan.

The defined benefit pension plan assets and obligations were evaluated and measured by Aon Hewitt as at March 31, 2022.

The following table summarizes the changes in defined benefit plan obligation and fair value of plan assets of the Organization's defined benefit pension plan:

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

12. Pension costs and obligations (continued)

	<u>2022</u>	<u>2021</u>
Change in defined benefit plan obligation		
Benefit obligation, beginning of period	\$ 9,395,100	\$ 11,940,400
Interest cost	132,900	331,700
Settlement costs	107,400	133,500
Benefits paid	(1,182,100)	(2,509,400)
Settlement payments	(8,650,600)	-
Actuarial loss	197,300	(501,100)
Defined benefit plan obligation, end of period	\$ -	\$ 9,395,100
Change in fair value of plan assets		
Fair value of plan assets, beginning of period	\$ 9,694,600	\$ 12,112,500
Gains on plan assets	88,300	91,500
Employer contributions	157,300	-
Settlement payments	(8,650,600)	-
Benefits paid	(1,182,100)	(2,509,400)
Fair value of plan assets, end of period	\$ 107,500	\$ 9,694,600
Reconciliation of funded status		
Fair value of plan assets	\$ 107,500	\$ 9,694,600
Defined benefit plan obligation	-	(9,395,100)
Funded status of plan – (defecit) surplus	107,500	299,500
Valuation allowance	-	(299,500)
Defined benefit pension asset	\$ 107,500	\$ -
Remeasurements and other items		
Interest less net return on plan assets	\$ 50,400	\$ (91,500)
Actuarial loss	197,300	(164,100)
Change in valuation allowance	(299,500)	127,400
Loss arising from settlements	107,400	133,500
Effect of valuation allowance on finance cost	(4,500)	(4,900)
Total remeasurements and other items	\$ 51,100	\$ -

For the year ended March 31, 2022 the pension expense related to the defined benefit plan was \$Nil (2021 - \$45,945).

Effective October 1, 2010, a defined contribution pension plan was put in place, in which all members now participate. For the year ended March 31, 2022, employer contributions to this plan were \$417,459 (2021 - \$404,941).

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

13. Commitments and contractual obligations

The Organization has contractual obligations for its services with future minimum payments as follows beginning March 2022:

2023	\$	803,503
2024		781,627
2025		785,446
2026		725,224
2027		563,113
Thereafter		<u>1,152,299</u>
	\$	<u>4,811,212</u>

14. Financial instruments

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. The risk that arise from financial instruments include credit, interest rate and liquidity risk. However, its is management's opinion that these do not represent significant risks to the Organization given the nature and creditworthiness of the parties from whom amounts are owing to the Organization and the nature of investments held.

Credit risk

The Organization has determined that the financial assets with credit risk exposure are amounts receivable, since failure of any of these parties to fulfil their obligations could result in financial losses for the Organization.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk with respect to investments in GICs.

Liquidity risk

Liquidly risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its contribution to the pension plan and accounts payable. There was no significant change in exposure from the prior year.

15. General expenses

	<u>2022</u>	<u>2021</u>
Purchased services	\$ 959,653	\$ 880,817
Other general expenses	877,487	939,065
Telephone	376,633	391,994
Professional fees	463,994	449,512
Data processing and software	<u>288,943</u>	<u>297,384</u>
	<u>\$ 2,966,710</u>	<u>\$ 2,958,772</u>

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2022

16. Credit facilities

The Organization has two credit facilities. The first one relates to the original mortgage that was taken out for the new Dementia Care Centre at 2250 Speers Road, Oakville ON. In March of 2019, the original mortgage amount was \$1,725,000. As of March 31, 2022 this balance is \$Nil (2021 - \$1,587,000). Terms of the first credit facility are detailed in Note 6 Mortgage Payable. The second credit facility is a \$3,300,000 revolving loan intended to support the renovation and construction of the new Dementia Care Centre at 2250 Speers Road, Oakville ON. Interest accrues monthly at prime plus 0.50% per annum. Interest-only payments are required during the construction and/or renovation period of 12 months or earlier. As at March 31, 2021, \$Nil (2021 - \$Nil) was drawn from the second credit facility.

17. Comparative figures

Certain comparative figures have been reclassified to conform to the method of presentation adopted in the current year.