



Financial statements

Acclaim Health and Community Care Services

March 31, 2019

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Independent auditor's 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, 2019, 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, 2019**, 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.

Grant Thornton LLP

Mississauga, Canada
June 4, 2019

Chartered Professional Accountants
Licensed Public Accountants

Acclaim Health and Community Care Services

Balance sheet

March 31

2019

2018

Assets

Current

Cash and cash equivalents	\$ 1,660,771	\$ 2,285,589
Short-term investments	3,073,137	2,484,483
Accounts receivables	1,263,007	1,194,329
Prepaid expenses	<u>204,029</u>	<u>146,557</u>
	6,200,944	6,110,958

Long-term investments (Note 3)

1,767,887 470,384

Capital assets (Note 4)

4,619,964 1,627,105

\$ 12,588,795 \$ 8,208,447

Liabilities

Current

Accounts payable and accrued liabilities (Note 5)	\$ 1,864,768	\$ 831,495
Mortgage payable (Note 6)	1,725,000	-
Deferred income (Note 7)	<u>1,315,004</u>	<u>396,845</u>
	4,904,772	1,228,340

Net assets

Net assets invested in capital assets	4,619,964	1,627,105
Net assets internally restricted (Note 8)	1,383,997	1,383,997
Unrestricted net assets	<u>1,680,062</u>	<u>3,969,005</u>
	7,684,023	6,980,107

\$ 12,588,795 \$ 8,208,447

Commitments (Note 12)

Credit facilities (Note 16)

Subsequent events (Note 17)

On behalf of the Board



Chairperson



Treasurer

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Changes in Net Assets

Year ended March 31, 2019

	<u>Invested in Capital Assets</u>	<u>Internally Restricted Reserves</u> (Note 8)	<u>Unrestricted</u>	<u>2019 Total</u>	<u>2018 Total</u>
Balance, beginning of year	\$ 1,627,105	\$ 1,383,997	\$ 3,969,005	\$ 6,980,107	\$ 5,942,557
(Deficiency) excess of receipts over expenditures	(210,406)	-	914,322	703,916	1,037,550
Purchase of capital assets	<u>3,203,265</u>	<u>-</u>	<u>(3,203,265)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 4,619,964</u>	<u>\$ 1,383,997</u>	<u>\$ 1,680,062</u>	<u>\$ 7,684,023</u>	<u>\$ 6,980,107</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Operations

Year ended March 31, 2019

	Fund Type 2	Fund Type 3	2019	2018
Receipts				
Fees for service	\$ 236,802	\$ 21,245,227	\$ 21,482,029	\$ 19,438,340
Government funding (Note 9)	3,423,314	84,119	3,507,433	3,210,315
Donations and community grants	254,468	181,856	436,324	497,577
Other income	18,144	61,824	79,968	146,062
Investment income	-	104,532	104,532	68,450
	<u>3,932,728</u>	<u>21,677,558</u>	<u>25,610,286</u>	<u>23,360,744</u>
Expenditures				
Salaries	2,996,275	15,677,209	18,673,484	16,591,798
General expenses (Note 15)	2,089,275	397,146	2,486,421	2,128,636
Employee benefits	377,779	1,891,420	2,269,199	2,329,730
Employee pension expense	247,855	307,132	554,987	396,171
Occupancy costs	271,237	122,149	393,386	380,643
Equipment costs	130,186	84,833	215,019	191,071
Program supplies	129,208	81,854	211,062	190,412
Office expenses	78,541	24,271	102,812	114,733
Corporate services allocations	(2,041,834)	2,041,834	-	-
	<u>4,278,522</u>	<u>20,627,848</u>	<u>24,906,370</u>	<u>22,323,194</u>
(Deficiency) excess of receipts over expenditures	<u>(345,794)</u>	<u>1,049,710</u>	<u>703,916</u>	<u>1,037,550</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Cash Flows

Year ended March 31	2019	2018
Cash flows from operating activities		
Excess of receipts over expenditures	\$ 703,916	\$ 1,037,550
Charges not involving cash		
Amortization	210,406	223,585
Loss on disposal of fixed assets	-	10,756
Unrealized gain on investments	(1,384)	(697)
	<u>912,938</u>	<u>1,271,194</u>
Net change in accounts receivables	(68,678)	(81,297)
Net change in prepaid expenses	(57,472)	(24,845)
Net change in accounts payable and accrued liabilities	1,033,273	(40,830)
Net change in deferred income	918,159	286,150
Cash flows from operating activities	<u>2,738,220</u>	<u>1,410,372</u>
Cash flows from financing activities		
Proceeds from mortgage obligation	<u>1,725,000</u>	<u>-</u>
Cash flows from investing activities		
Purchase of investments	(3,074,278)	(523,681)
Maturity of investments	1,189,505	690,700
Purchase of capital assets	(3,203,265)	(199,437)
Cash flows from investing activities	<u>(5,088,038)</u>	<u>(32,418)</u>
Net (decrease) increase in cash and cash equivalents	(624,818)	1,377,954
Cash and cash equivalents, beginning of year	<u>2,285,589</u>	<u>907,635</u>
Cash and cash equivalents, end of year	<u>\$ 1,660,771</u>	<u>\$ 2,285,589</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Notes to the financial statements

March 31, 2019

1. Nature of operations

Acclaim Health and Community Care Services (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 non-profit 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.

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 and accounts payable and accrued liabilities. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost. 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.

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

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.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2019

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Fund Type 2 relates to funding received directly from LHINs and other revenue such as fee-for-service related to LHIN-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 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. 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.

3. Long-term investments

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 \$174,068 (2018 - \$165,384) 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.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2019

3. Long-term investments (continued)

	<u>2019</u>	<u>2018</u>
Oakville Community Foundation	\$ 174,068	\$ 165,384
Guaranteed investment certificates	438,919	-
Term deposits (matures past 12 months)	<u>1,154,900</u>	<u>305,000</u>
	<u>\$ 1,767,887</u>	<u>\$ 470,384</u>

4. Capital assets

			<u>2019</u>	<u>2018</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	\$ 336,723
Building	2,603,102	866,465	1,736,637	538,735
Office and information technology equipment	1,142,573	704,076	438,497	330,057
Property and building improvements	<u>738,108</u>	<u>58,937</u>	<u>679,171</u>	<u>421,590</u>
	<u>\$ 6,249,442</u>	<u>\$ 1,629,478</u>	<u>\$ 4,619,964</u>	<u>\$ 1,627,105</u>

Included in equipment costs and occupancy costs is a total of \$210,406 (2018 - \$223,585) of capital asset amortization expense.

During the year, the Organization acquired a new property for a total cost of \$2,300,000, which has been allocated between land and building. The building has not yet been put into use, and as such, no amortization expense has been recognized. In addition, leasehold improvements at a new facility of \$360,050 were in progress at year end and have not been put into use. These are included in property and building improvements and no amortization expense has been recognized in 2019.

5. Accounts payable and accrued liabilities

	<u>2019</u>	<u>2018</u>
Accounts payable and accrued liabilities	\$ 1,830,753	\$ 800,029
Payroll source deductions payable	<u>34,015</u>	<u>31,466</u>
	<u>\$ 1,864,768</u>	<u>\$ 831,495</u>

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2019

6. Mortgage payable

Mortgage amount

The Organization obtained a non-revolving mortgage on March 19, 2019 with the Bank of Nova Scotia for a total of \$1,725,000.

Term, amortization and payments

The mortgage requires monthly interest and principal payments of \$5,750 beginning one month after drawdown, with the unpaid balance due in full on maturity. The term is one year, and amortization is 25 years. As at March 31, 2019, no principal payments have been made, and interest of \$2,944 has been paid.

Interest rate

The interest rate during the term of the loan is prime plus 0.5% per annum

Although there is a 25 year amortization period, it is management's intention to repay the mortgage in full by March 31, 2020. As such, the entire mortgage has been reflected as a current obligation and the five-year repayment obligation is not reflected as the full principal amount is considered due in one year.

7. Deferred income	<u>2019</u>	<u>2018</u>
Palliative education funding and other	\$ 41,381	\$ 153,287
Restricted donations	<u>1,273,623</u>	<u>243,558</u>
	<u>\$ 1,315,004</u>	<u>\$ 396,845</u>

Restricted donations include amounts collected through the capital campaign for the purchase and renovation of a newly acquired building, which will house current and expanded services of the Organization's Alzheimer's program.

8. Internally restricted reserves

	Balance Beginning of Year	Preapproved Transfers	Reserve Reductions	Balance End of Year
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>-</u>	<u>-</u>	<u>250,000</u>
	<u>\$ 1,383,997</u>	<u>\$ -</u>	<u>\$ -</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.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2019

8. Internally restricted reserves (continued)

(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.

9. Government funding

The amounts received of \$3,507,433 (2018 - \$3,210,315) from the Mississauga Halton Local Health Integration Network (MH LHIN) provide funding for the ongoing operations of Alzheimer Services, Community Support Services, and the Palliative Care Consultation Program.

10. Pension costs and obligations

Acclaim Health and Community Services Pension Plan

Effective October 16, 2006, the Organization created its own pension plan when it ceased membership with Victorian Order of Nurses Canada ("VONC") (see Note 11). 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 January 1, 2016 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.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2019

10. Pension costs and obligations (continued)

The defined benefit pension plan assets and obligations were evaluated and measured by Aon Hewitt as at March 31, 2019.

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:

	<u>2019</u>	<u>2018</u>
Change in defined benefit plan obligation		
Benefit obligation, beginning of period	\$ 10,691,300	\$ 11,106,800
Interest cost	405,800	416,900
Benefits paid	<u>(574,800)</u>	<u>(832,400)</u>
Defined benefit plan obligation, end of period	\$ <u>10,522,300</u>	\$ <u>10,691,300</u>
Change in fair value of plan assets		
Fair value of plan assets, beginning of period	\$ 12,137,300	\$ 12,664,900
Gains (losses) on plan assets	601,400	304,800
Benefits paid	<u>(574,800)</u>	<u>(832,400)</u>
Fair value of plan assets, end of period	\$ <u>12,163,900</u>	\$ <u>12,137,300</u>
Reconciliation of funded status		
Fair value of plan assets	\$ 12,163,900	\$ 12,137,300
Defined benefit plan obligation	<u>(10,522,300)</u>	<u>(10,691,300)</u>
Funded status of plan – surplus (deficit)	1,641,600	1,446,000
Valuation allowance	<u>(1,641,600)</u>	<u>(1,446,000)</u>
Defined benefit pension asset	\$ _____ -	\$ _____ -
Remeasurements and other items		
Actuarial losses	\$ 139,300	\$ (172,900)
Change in valuation allowance	(195,600)	112,100
Effect of valuation allowance on finance cost	<u>56,300</u>	<u>60,800</u>
Total remeasurements and other items	\$ _____ -	\$ _____ -

For the year ended March 31, 2019 the pension expense related to the defined benefit plan was \$ Nil (2018 - \$Nil).

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, 2019, employer contributions were \$397,987 (2018 - \$346,463).

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2019

11. Pension liability

Victorian Order of Nurses Canada Pension Plan Transfer

Prior to October 16, 2006, the Victorian Order of Nurses Canada Pension Plan ("VONC Plan") provided benefits to the Organization's eligible employees through participation in a contributory, defined benefit plan. The pension benefits are based on years of pensionable service and final average earnings. The annual funding requirements were determined by VON Canada with the VONC Plan's actuaries.

The Organization ceased its membership with VON Canada effective October 16, 2006 and the Organization's pension benefit contributions to the plan ceased on that date.

Effective November 2015 VONC Plan was amalgamated into Acclaim Health and Community Services Pension Plan, with the assets at \$9,993,200 transferred into Acclaim Health and Community Services Pension Plan. The estimated impact of the transfer on the liability of the plan as of November 19, 2015 was \$9,002,300. At the time of the transfer, Acclaim Health became legally responsible for both the assets and liabilities relating to the affected employees accrued under the VON Canada Plan. The difference between the liability impact and the amount of assets transferred into the Plan was recognized as a Past Service Credit during the year ending March 31, 2016.

12. Commitments

Future minimum payments for operating leases that have initial or remaining terms of one year or more consist of the following amounts:

2020	\$	273,573
2021		221,899
2022		223,830
2023		208,966
2024		181,895
Thereafter		<u>794,271</u>
	\$	<u>1,904,434</u>

13. 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 and interest rate risk. However, its is management's opinion 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. Furthermore, it is management's opinion that the Organization is not exposed to significant currency, interest rate cash flow, liquidity or market risks as the Organization does not have financial instruments that are subject to these risks.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2019

14. Charitable annuity

The Organization is the beneficiary of the charitable annuity established in 1984 in the amount of \$50,000. The funds were invested with the Investors Group Trust Co. Ltd. Under a trust agreement established at the time of the donation. The Organization is entitled to receive the accumulated principal balance of the funds upon the death of the donor. As at March 31, 2019, the organization received and recorded the fair market value of the funds held under trust of \$152,349 (2018 - \$153,321).

15. General expenses	<u>2019</u>	<u>2018</u>
Purchased services	\$ 1,065,964	\$ 971,868
Other general expenses	563,445	454,998
Telephone	254,207	240,431
Professional fees	411,342	293,994
Data processing and software	<u>191,463</u>	<u>167,345</u>
	<u>\$ 2,486,421</u>	<u>\$ 2,128,636</u>

16. Credit facilities

Along with the new mortgage payable obtained during the year, the Organization also opened two lines of credit. As at March 31, 2019, no amounts have been drawn on these additional lines of credit. Outlined are the available funds under the lines of credit:

Credit facility #1 is a revolving loan of \$1,500,000 for construction and/or renovation at the property at 2250 Speers Road, Oakville, ON. Interest accrues monthly at prime plus 0.5% per annum. Interest-only payments are required during the construction and/or renovation period of 12 months or earlier. The loan is to be fully drawn by August 31, 2020 or completion of renovation whichever occurs earliest.

Credit facility #2 is a non-revolving loan of \$3,225,000. Interest accrues monthly at prime plus 0.5% per annum or a to-be-determined fixed rate. Repayable in monthly principal payments (\$10,750) or blended payment of principal and interest each beginning one month after drawdown and unpaid balance due in full on the 60th month. Term is 5 years and amortization is 25 years.

17. Subsequent events

On May 7, 2019, the Board of Directors resolved to enter into a non-binding letter of intent with another not-for-profit organization to amalgamate the two organizations to form one organization continuing as Acclaim Health and Community Care Services.