



Financial statements

Acclaim Health and Community Care Services

March 31, 2024

Contents

	Page
Independent auditors' report	1-2
Balance Sheet	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-12



Independent auditors' report

Grant Thornton LLP
Suite 501
201 City Centre Drive
Mississauga, ON
L5B 2T4
T +1 416 366 0100
F +1 905 804 0509

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, 2024, 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, 2024, 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 4, 2024

Chartered Professional Accountants
Licensed Public Accountants

Acclaim Health and Community Care Services

Balance Sheet

March 31

2024

2023

Assets

Current

Cash and cash equivalents	\$ 8,974,859	\$ 5,949,419
Short-term investments (Note 3)	857,003	479,819
Accounts receivable	1,999,733	1,802,528
Prepaid expenses	<u>334,334</u>	<u>334,550</u>
	12,165,929	8,566,316

Investments (Note 3)	439,807	425,099
Capital assets (Note 4)	11,256,704	11,804,495
Goodwill (Note 5)	<u>1,270,000</u>	<u>1,270,000</u>
	\$ 25,132,440	\$ 22,065,910

Liabilities

Current

Accounts payable and accrued liabilities (Note 6)	\$ 3,390,338	\$ 2,326,655
Deferred income	<u>2,853,400</u>	<u>2,104,815</u>
	6,243,738	4,431,470

Deferred capital contributions (Note 7)	<u>6,601,716</u>	<u>6,750,793</u>
	12,845,454	11,182,263

Net assets

Net assets invested in capital assets	4,654,988	5,053,702
Net assets internally restricted (Note 8)	1,383,997	1,383,997
Unrestricted net assets	<u>6,248,001</u>	<u>4,445,948</u>
	12,286,986	10,883,647
	\$ 25,132,440	\$ 22,065,910

Commitments and contractual obligations (Note 11)

Credit facilities (Note 14)

On behalf of the Board

DocuSigned by:

Cindy Heinz

4123977B9E24441...

Chairperson

DocuSigned by:

Stuart du Kamp

9E9FE0EBED08496...

Secretary

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Changes in Net Assets

Year ended March 31, 2024

	Invested in Capital Assets	Internally Restricted (Note 8)	Unrestricted	2024 Total	2023 Total
Balance, beginning of year	\$ 5,053,702	\$ 1,383,997	\$ 4,445,948	\$ 10,883,647	\$ 10,256,015
Excess (deficiency) of revenues over expenditures	(702,169)	-	2,105,508	1,403,339	627,632
Purchase of capital assets	154,378	-	(154,378)	-	-
Capital contributions received	(238,034)	-	238,034	-	-
Capital contributions recognized in revenue	<u>387,111</u>	<u>-</u>	<u>(387,111)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 4,654,988</u>	<u>\$ 1,383,997</u>	<u>\$ 6,248,001</u>	<u>\$ 12,286,986</u>	<u>\$ 10,883,647</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Operations

Year ended March 31, 2024

	Fund Type 2	Fund Type 3	<u>2024</u>	<u>2023</u>
Revenues				
Fees for service	\$ 458,916	\$ 30,460,966	\$ 30,919,882	\$ 27,216,194
Government funding (Note 9)	6,241,899	-	6,241,899	5,680,836
Donations and community grants	324,626	1,235,146	1,559,772	1,109,337
Investment income	376,212	42,425	418,637	92,595
Amortized deferred capital contributions	287,111	-	287,111	272,000
Other income	<u>203,419</u>	<u>2,732</u>	<u>206,151</u>	<u>349,565</u>
	<u>7,892,183</u>	<u>31,741,269</u>	<u>39,633,452</u>	<u>34,720,527</u>
Expenditures				
Salaries	6,195,177	21,917,289	28,112,466	25,131,274
Employee benefits	874,410	2,723,524	3,597,934	3,198,335
General expenses (Note 13)	2,624,557	939,365	3,563,922	3,041,426
Occupancy costs	1,320,606	208,718	1,529,324	1,534,767
Program supplies	264,423	167,553	431,976	383,796
Employee pension	126,087	279,758	405,845	390,315
Equipment costs	284,551	86,961	371,512	259,756
Office expenses	191,685	25,449	217,134	153,226
Corporate services allocations	<u>(3,615,523)</u>	<u>3,615,523</u>	<u>-</u>	<u>-</u>
	<u>8,265,973</u>	<u>29,964,140</u>	<u>38,230,113</u>	<u>34,092,895</u>
Excess (deficiency) of revenues over expenditures				
	\$ <u>(373,790)</u>	\$ <u>1,777,129</u>	\$ <u>1,403,339</u>	\$ <u>627,632</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Statement of Cash Flows

Year ended March 31	2024	2023
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 1,403,339	\$ 627,632
Charges not involving cash		
Amortization (Note 4)	702,169	736,368
Capital contributions revenue recognized	(387,111)	(372,000)
Unrealized (gain) loss on investments	(131,421)	16,802
	<u>1,586,976</u>	<u>1,008,802</u>
Change in non-cash working capital items		
Accounts receivable	(197,205)	56,823
Prepaid expenses	216	(4,501)
Accounts payable and accrued liabilities	1,063,683	99,995
Deferred income	748,585	1,256,422
	<u>3,202,255</u>	<u>2,417,541</u>
Cash flows from financing activities		
Deferred capital contributions received	<u>238,034</u>	<u>439,789</u>
Cash flows from investing activities		
Net (purchases) sales of investments	(260,471)	(307,667)
Purchase of capital assets	(154,378)	(82,059)
	<u>(414,849)</u>	<u>(389,726)</u>
Net increase in cash and cash equivalents	3,025,440	2,467,604
Cash and cash equivalents, beginning of year	<u>5,949,419</u>	<u>3,481,815</u>
Cash and cash equivalents, end of year	\$ <u>8,974,859</u>	\$ <u>5,949,419</u>

See accompanying notes to the financial statements.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2024

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, Personal Support Services, Companion Services, Community Support Services, Adult Day and Caregiver Support Services, Overnight Respite 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, 2024

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 accounting

Fund Type 2 relates to funding received directly from Ontario Health and other revenue such as fee-for-service related to Ontario Health-funded programs, grants and donations, as well as the related expenses. Fund Type 3 relates to revenue received from all other sources and expenses that are not approved for Fund Type 2 use.

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.

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.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

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 consist of investments in a diversified equity portfolio.

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 \$234,347 (2023 - \$219,565) 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. Additionally, long-term investment also consists of GICs bearing interest at rates ranging 4.4% to 4.6% and maturing between August 2025 to August 2027.

	<u>2024</u>	<u>2023</u>
Oakville Community Foundation	\$ 234,347	\$ 219,565
Term deposits (matures past 12 months)	<u>205,460</u>	<u>205,534</u>
	<u>\$ 439,807</u>	<u>\$ 425,099</u>

4. Capital assets

			<u>2024</u>	<u>2023</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	10,955,821	2,303,956	8,651,865	9,053,193
Office and information technology equipment	1,528,835	1,045,600	483,235	565,922
Property and building improvements	<u>825,305</u>	<u>469,360</u>	<u>355,945</u>	<u>419,721</u>
	<u>\$ 15,075,620</u>	<u>\$ 3,818,916</u>	<u>\$ 11,256,704</u>	<u>\$ 11,804,495</u>

Included in equipment costs and occupancy costs is a total of \$702,169 (2023 - \$736,368) of capital asset amortization expense.

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2024

5. 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.

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 goodwill of \$1,470,000.

The Organization determined that there are no indicators of impairment.

6. Accounts payable and accrued liabilities

	<u>2024</u>	<u>2023</u>
Accounts payable and accrued liabilities	\$ 2,838,375	\$ 1,913,431
Surplus repayable to Ontario Health	470,818	441,748
Payroll source deductions payable (receivable)	81,145	(28,912)
Pension plan payable	-	388
	<u>\$ 3,390,338</u>	<u>\$ 2,326,655</u>

7. Deferred capital contributions

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 6,750,793	\$ 6,683,004
Capital contributions recognized in revenue	(387,111)	(372,000)
Restricted capital donations received	<u>238,034</u>	<u>439,789</u>
Balance, end of year	<u>\$ 6,601,716</u>	<u>\$ 6,750,793</u>

Deferred capital contributions include amounts collected through the capital campaign and mortgage campaign for the purchase and renovation of a building which house some of the Organization's adult day programs, overnight respite and caregiver supports.

8. Internally restricted net assets

	<u>2024</u>	<u>2023</u>
Lindsay/Werry Educational	\$ 23,997	\$ 23,997
Matthews Library	10,000	10,000
Severance Contingencies	<u>1,350,000</u>	<u>1,350,000</u>
	<u>\$ 1,383,997</u>	<u>\$ 1,383,997</u>

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2024

8. Internally restricted net assets (continued)

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.

9. Government funding

The amounts received of \$6,241,899 (2023 - \$5,680,836) from the Ministry of Health provide funding for the ongoing operations of Adult Day and Caregiver Support, Community Support Services, and the Palliative Care Consultation Program.

10. Defined contribution pension plan

Employees of the Organization participate in a defined contribution pension plan. For the year ended March 31, 2024, employer contributions to this plan were \$405,845 (2023 - \$390,315).

11. Commitments and contractual obligations

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

2025	\$	807,169
2026		749,088
2027		616,738
2028		621,832
2029		431,562
Thereafter		<u>157,835</u>
	\$	<u>3,384,224</u>

Acclaim Health and Community Care Services

Notes to the Financial Statements

March 31, 2024

12. 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.

13. General expenses

	2024	2023
Purchased services	\$ 1,120,343	\$ 1,054,533
Other general expenses	1,318,908	918,339
Data processing and software	445,853	312,733
Telephone	421,544	413,902
Professional fees	257,274	341,919
	\$ 3,563,922	\$ 3,041,426

14. Credit facilities

The Organization has a credit facility. The credit facility is a \$1,750,000 revolving demand credit facility. Interest accrues monthly at prime plus 0.25% per annum. As at March 31, 2024, \$Nil (2023 - \$Nil) was drawn from the credit facility.

15. Comparative figures

Certain comparative figures have been adjusted to conform to changes in the current year presentation.