

REGIONAL HIV/AIDS CONNECTION
Financial Statements
Year Ended March 31, 2025

REGIONAL HIV/AIDS CONNECTION
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Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Regional HIV/AIDS Connection

Qualified Opinion

We have audited the financial statements of Regional HIV/AIDS Connection (the Organization), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As described in the notes to the financial statements in the summary of significant accounting policies, the organization's amortization policy for the building at 596 Pall Mall Street is based on the amount of mortgage principal repaid during the year, as required by the Ontario Ministry of Health and Long Term Care: Housing. In this respect the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations.

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2025, current assets and net assets as at March 31, 2025.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the 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 relating 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.

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INDEPENDENT AUDITOR'S REPORT *(continued)*

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.

MacNeill Edmundson

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

London, Ontario
June 18, 2025


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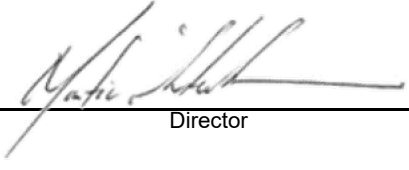
Regional HIV/AIDS Connection
Statement of Financial Position
March 31, 2025

	March 31 2025				March 31 2024
	Operating Funds	Restricted Funds	Endowment Fund	Total	Total
Assets					
Current					
Cash	\$ 1,320,153	\$ -	\$ -	\$ 1,320,153	\$ 514,752
Investments (note 4)	397,225	-	-	397,225	390,752
Grants and other amounts receivable	114,911	-	-	114,911	341,001
HST rebate recoverable	82,254	-	-	82,254	614,977
Inventory of supplies	82,994	-	-	82,994	102,280
Due from other funds	-	585,779	20,079	-	-
Prepaid expenses	41,574	-	-	41,574	10,179
	2,039,111	585,779	20,079	2,039,111	1,973,941
Capital assets (note 5)	2,696,521	-	-	2,696,521	3,382,079
	\$ 4,735,632	\$ 585,779	\$ 20,079	\$ 4,735,632	\$ 5,356,020
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 643,649	\$ -	\$ -	\$ 643,649	\$ 745,470
Due to other funds	605,858	-	-	-	-
Deferred contributions (note 6)	516,889	-	-	516,889	459,776
Current portion of long term debt (note 7)	43,884	-	-	43,884	42,537
	1,810,280	-	-	1,204,422	1,247,783
Long term debt (note 7)	308,185	-	-	308,185	352,069
Deferred capital contributions (note 8)	1,495,914	-	-	1,495,914	1,939,382
	3,614,379	-	-	3,008,521	3,539,234
Fund balances	1,121,253	585,779	20,079	1,727,111	1,816,786
	\$ 4,735,632	\$ 585,779	\$ 20,079	\$ 4,735,632	\$ 5,356,020
Economic dependence (note 10)					
Commitments (note 11)					

ON BEHALF OF THE BOARD:



 Director



 Director

Regional HIV/AIDS Connection
Statement of Operations and Fund Balances
For the Year Ended March 31, 2025

	March 31, 2025				March 31 2024
	Operating Funds (Schedule 1)	Restricted Funds (Schedule 2)	Endowment Fund	Total	Total
Revenues					
Government funding (note 9)	5,471,059	\$ 34,917	\$ -	\$ 5,505,976	\$ 5,379,745
Donations	1,037,369	-	-	1,037,369	762,901
Amortization of deferred capital contributions (note 8)	443,468	-	-	443,468	446,847
Occupancy charges	232,693	-	-	232,693	222,681
Grants and other service revenue	272,789	-	-	272,789	204,837
Fundraising and special events	76,804	-	-	76,804	94,994
Interest and other	91,845	-	-	91,845	48,130
	7,626,027	34,917	-	7,660,944	7,160,135
Expenses					
Salaries and benefits	4,005,281	-	-	4,005,281	3,526,778
Donated materials	958,005	-	-	958,005	710,789
Amortization	685,560	-	-	685,560	666,691
Rent, security and maintenance costs	627,284	-	-	627,284	602,865
Program costs and resource materials	601,545	-	-	601,545	710,761
Subcontract	368,641	-	-	368,641	363,153
Computer maintenance and support	103,988	-	-	103,988	117,140
Repairs and maintenance	100,469	-	-	100,469	76,011
Office	61,440	-	-	61,440	67,943
Special events	43,197	-	-	43,197	7,702
Conference and staff development	34,345	-	-	34,345	42,395
Telephone	28,506	-	-	28,506	35,025
Professional fees	26,105	-	-	26,105	31,539
Insurance	21,139	-	-	21,139	20,823
Travel	17,109	-	-	17,109	24,219
Property taxes	14,738	-	-	14,738	13,381
Advertising and promotion	13,010	-	-	13,010	7,243
Interest on long term debt	11,719	-	-	11,719	13,058
Bank charges and interest (recovery)	9,930	-	-	9,930	2,147
Administration	7,807	-	-	7,807	12,644
Volunteer development and appreciation	7,111	-	-	7,111	8,213
OAN costs	2,000	-	-	2,000	2,000
Membership fees	1,690	-	-	1,690	1,190
	7,750,619	-	-	7,750,619	7,063,710
Excess (deficiency) of revenues over expenses for the year	(124,592)	34,917	-	(89,675)	96,425
Fund balances, beginning of year	1,207,845	588,862	20,079	1,816,786	1,720,361
Interfund transfers (note 11)	38,000	(38,000)	-	-	-
Fund balances, end of year	\$ 1,121,253	\$ 585,779	\$ 20,079	\$ 1,727,111	\$ 1,816,786

REGIONAL HIV/AIDS CONNECTION

Statement of Cash Flows

Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ (89,675)	\$ 96,425
Items not affecting cash:		
Amortization of capital assets	685,560	666,691
Amortization of deferred capital contributions	(443,468)	(446,847)
	152,417	316,269
Changes in non-cash working capital:		
Grants and other amounts receivable	226,090	8,789
HST rebate recoverable	532,723	(172,503)
Inventory of supplies	19,286	14,998
Prepaid expenses	(31,395)	564
Accounts payable and accrued liabilities	(101,823)	(654,949)
Deferred contributions	57,113	136,900
	701,994	(666,201)
Cash flow from (used by) operating activities	854,411	(349,932)
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificates	(6,473)	(6,284)
Purchase of capital assets	-	(278,270)
Cash flow used by investing activities	(6,473)	(284,554)
FINANCING ACTIVITY		
Repayment of long term debt	(42,537)	(41,198)
INCREASE (DECREASE) IN CASH	805,401	(675,684)
Cash - beginning of year	514,752	1,190,436
CASH - END OF YEAR	\$ 1,320,153	\$ 514,752

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

1. NATURE OF OPERATIONS

The organization provides prevention, education, support and outreach services to those living with, affected by, and/or at risk for Human Immunodeficiency Virus ("HIV") and/or Acquired Immuno-Deficiency Syndrome ("AIDS"). In addition, they provide transitional care, palliative and respite care to those living with and affected by HIV, AIDS and Hepatitis C.

The organization is an amalgamation of Regional HIV/AIDS Connection (RHAC) and London Regional AIDS Hospice ("LRAH") (o/a John Gordon Home (JGH)) which became effective April 1, 2015. The combined organization continues to operate as Regional HIV/AIDS Connection.

RHAC was originally incorporated without share capital in the Province of Ontario in February 1990. LRAH was originally incorporated without share capital in the province of Ontario in December 1991.

The Regional HIV/AIDS Connection is a charitable organization registered under the Canadian Income Tax Act (the "Act") and as such is exempt from income taxes and is allowed to issue donation receipts for income tax purposes. In order to maintain its status as a charitable organization registered under the Act, the organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO are part of Canadian generally accepted accounting principles (GAAP).

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Regional HIV/AIDS Connection, the accounts are maintained in accordance with the principles of fund accounting. Accordingly, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund. Transfers between funds are made when it is considered appropriate and authorized by the Board of Directors.

The operations are organized into seven funds as detailed below:

Community Action Fund (CAF) - fund sponsored by the Public Health Agency of Canada to provide funds for HIV/HCU and other STBBI community based prevention strategies.

Ontario Organizational Development Program Fund (OODP) - fund sponsored by the Ontario Ministry of Health (OMOH). This program operates independently with funds being administered through the organization. OODP facilitates strategic planning and organizational development workshops and services to AIDS Service Organizations throughout Ontario.

Counterpoint Fund - fund sponsored by the Ontario Ministry of Health through the Middlesex-London Health Unit (MLHU) along with in-kind contributions of materials from the Ontario Harm Reduction Distribution Program (OHRDP) for operating the Counterpoint Needle Exchange Program and other related programs for London and surrounding area.

Ontario Ministry of Health Fund (OMOH) - fund sponsored by OMOH to provide core funding for programs, and operations such as salaries, rent and office supplies.

John Gordon Home Fund - fund sponsored by OMOH, the Ontario Health (West) (formerly Southwest Local Health Integration Network (SWLHIN)) and the City of London to operate a nine unit community centred hospice for those living with and affected by HIV, AIDS, and Hepatitis C.

Carepoint Consumption and Treatment Services Fund - fund sponsored by OMOH to provide annually funded services (Carepoint) for people to use their drugs safely and seek other supports i.e. treatment, mental health, housing etc. Carepoint also receives funds for on-site wrap around supports through the Ontario Health (West) (formerly SWLHIN) Mental Health and Addiction investment.

General Fund - derives its revenue from fundraising, donations and other short term programs to assist with funding operations. The General Fund reports unrestricted resources available for immediate purposes.

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REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Restricted funds are detailed below:

Contingency Working Capital Fund - internally restricted fund established by the Board of Directors to be used for emergency operating expenses in the event that program funding for the organization was interrupted. These amounts are not available for other purposes without the approval of the Board of Directors.

Capital Replacement Reserve Fund - externally restricted fund as required by OMOH to maintain a reserve fund for replacement of capital items and unanticipated future costs related to the John Gordon Home.

COVID-19 Recovery Fund - internally restricted fund established by the Board of Directors to be used to cover lost revenue from fundraising events and extra expenses associated with the economic and health recovery caused by COVID-19.

Endowment Fund:

The Endowment Fund reports funds received where the donor has stipulated that such funds must be held as an endowment in perpetuity. Interest may be spent annually at the discretion of the organization.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue in the appropriate Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Resident occupancy charges to tenants and the City of London are recognized as revenue in the month they are earned.

Contributions received for the purchase of capital assets are recorded as deferred capital contributions and amortized into revenue on the same terms as the related capital asset.

Endowment contributions are recognized as revenue in the Endowment Fund.

Investment income is recognized as earned. Investment income on restricted funds and endowment funds is recognized in the appropriate fund, depending on the nature of the restriction.

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REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Contributed materials, capital assets and services

Contributed materials are recorded as revenues and expenses at their fair market value determined as at the date of the donation. Donated assets of a capital nature are recorded as assets and deferred contributions at their fair market value and amortized to revenues and expenses in accordance with amortization policies of the organization.

Volunteers contribute many hours per year to enable the organization to carry out its objectives. Because of the difficulty of determining their fair value, contributed services of volunteers are not recognized in these financial statements.

Inventory of supplies

Inventory of supplies is measured at the lower of cost, determined using the first-in, first-out method, and net realizable value which is determined to be replacement cost.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are stated at cost less accumulated amortization. Capital assets (except for the building located at 596 Pall Mall Street) are amortized over their estimated useful lives using the straight-line method at the following rates:

Building upgrades	4%	declining balance method
Furniture and office equipment	20%	declining balance method
Leasehold improvements	5 years	straight-line method
Computer equipment	55%	declining balance method
Computer software	100%	declining balance method
Motor vehicles	30%	declining balance method
Fencing	10%	declining balance method

The building located at 596 Pall Mall Street is amortized annually by an amount equal to the mortgage principal repaid during the year.

A half year of amortization is taken in the year of acquisition and none in the year of disposal. Upon disposition of a capital asset, the cost and related accumulated amortization thereon are removed from the records of the organization and the resulting gain or loss is recorded in operations.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known. Actual results could differ from these estimates.

4. INVESTMENTS - GENERAL FUND

Investments consist of various cashable GIC's with interest rates between 2.75% and 3.00% and maturity dates ranging from June 2025 to December 2025.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	\$ 105,893	\$ -	\$ 105,893	\$ 105,893
Building - 596 Pall Mall Street	1,089,336	737,267	352,069	394,606
Building upgrades	635,863	364,489	271,374	282,681
Furniture and office equipment	365,292	343,308	21,984	27,480
Leasehold improvements	3,290,459	1,441,042	1,849,417	2,459,731
Fencing	93,546	13,564	79,982	88,869
Computer equipment	211,848	211,540	308	685
Computer software	30,316	30,316	-	-
Motor vehicles	45,172	29,678	15,494	22,134
	\$ 5,867,725	\$ 3,171,204	\$ 2,696,521	\$ 3,382,079

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

6. DEFERRED CONTRIBUTIONS

The organization receives various grants which contain terms and conditions under which these funds may be used. Some of these grants extend beyond the fiscal year end. As a result, the following amounts have been deferred to match the expenses of future periods.

	2025	2024
Deferred contributions - expenses of future periods		
General fund	\$ 215,934	\$ 179,566
Counterpoint fund - externally restricted	300,955	280,210
	\$ 516,889	\$ 459,776

7. LONG TERM DEBT

	2025	2024
Mortgage on 596 Pall Mall Street, repayable in monthly blended payments of principal and interest of \$4,521, bearing interest at 3.122% per annum. Due March 1, 2029. Secured by land and building.	\$ 352,069	\$ 394,606
Amounts payable within one year	(43,884)	(42,537)
	\$ 308,185	\$ 352,069

Principal repayment terms are approximately:

2026	\$ 43,884
2027	45,274
2028	46,689
2029	216,222
	<u>\$ 352,069</u>

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent funds received for the purpose of funding capital purchases. Such contributions are deferred and amortized into revenue over time in order to match the amortization of the related capital item. Changes in the deferred capital contributions balance are as follows:

	2025	2024
Balance, beginning of year	\$ 1,939,382	\$ 2,386,229
Amount amortized to revenue in the year	(443,468)	(446,847)
	\$ 1,495,914	\$ 1,939,382

9. GOVERNMENT FUNDING

The organization receives funding from various government agencies to support the programs within the organization. Certain funders require that the organization spend the funding on specific program areas and on specific materials. Some of the funding received from these agencies related to items of a capital nature and therefore have been deferred to match the treatment of the expenditure of the funds. The funding received appears in the financial statements as follows:

	2025	2024
CAF Fund		
HIV and Hepatitis C Community Action Fund	\$ 299,375	\$ 198,975
PHAC Sex Worker Initiative for Safety & Health	94,156	171,810
Subtotal	393,531	370,785
Less: Unspent amounts repayable to funder	-	(38,200)
Total revenue recognized in the year	\$ 393,531	\$ 332,585
OODP Fund		
Ontario Ministry of Health funding	\$ 355,976	\$ 330,978
Ontario Ministry of Health one-time funding	-	38,500
Total revenue recognized in the year	\$ 355,976	\$ 369,478

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REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

9. GOVERNMENT FUNDING (*continued*)

	2025	2024
Counterpoint Fund		
Middlesex London Health Unit - funding received	\$ 521,430	\$ 569,943
Funding utilized from (deferred to) a future year	(20,745)	(69,258)
Total revenue recognized in the year	\$ 500,685	\$ 500,685
OMOH Fund		
Community-based AIDS Education and Support	\$ 1,052,435	\$ 1,002,422
HIV/IDU Outreach Project	417,660	417,662
One-time funding	-	40,000
Total revenue recognized in the year	\$ 1,470,095	\$ 1,460,084
John Gordon Home Fund		
Ontario Health (West)	\$ 549,569	\$ 495,495
Ontario Ministry of Health: Housing	130,748	129,336
Total revenue recognized in the year	\$ 680,317	\$ 624,831
Carepoint Consumption and Treatment Services Fund		
Ontario Ministry of Health	\$ 1,818,285	\$ 1,818,287
Ontario Health (West)	227,600	227,609
Subtotal	2,045,885	2,045,896
Less: Unspent amounts repayable to OMOH	(165,430)	(189,484)
	\$ 1,880,455	\$ 1,856,412
General Fund		
London Intercommunity Health Centre	\$ 190,000	\$ 180,852
Capital Replacement Reserve Fund		
Annual contribution	\$ 3,417	\$ 3,417
One-time Ontario Ministry of Health contribution	31,500	51,400
Total revenue recognized in the year	\$ 34,917	\$ 54,817

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

10. ECONOMIC DEPENDENCE

The organization received 78% (2024 - 75%) of its revenue from various government funding programs, as detailed in note 9, in addition to the generous support of individual, corporate, and institutional donations and grants.

This program funding from 9 different funding agencies and supports 16 separate programs across the organization, including 6% Federal funding, 63% provincial funding, and 9% municipal funding. Without this continued support, certain of the on-going programs of the organization may need to be modified if an alternative funding source is not found.

11. LEASE COMMITMENT

The organization is leasing the property at 602 Queens Avenue which expires May 31, 2031 for base rent.

The organization is also leasing the property at 446 York Street which expires October 31, 2031 for base rent, plus its share of additional rent for utilities, property taxes, and repairs and maintenance.

Expected minimum payments (for base rent) are as follows:

2026	\$ 165,623
2027	170,888
2028	177,517
2029	180,770
2030	184,105
Thereafter	238,620
	<u>\$ 1,117,523</u>

12. INTERFUND TRANSFERS

During the year, the Board of Directors approved the transfer of \$12,000 (2024 - \$12,000) from the General Fund to the Contingency Working Capital Fund, a transfer of Nil (2024 - Nil) from the Contingency Working Capital Fund to the General Fund, as well as a transfer of \$50,000 (2024 - Nil) from the COVID-19 Recovery Fund to the General Fund.

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

13. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides information about the organization's risk exposure and concentration. There have been no significant changes in the nature or concentration of the risk exposures from the prior year, unless otherwise noted.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk from its residents. In order to reduce its credit risk, the organization has adopted credit policies that include the regular review of outstanding accounts receivable.

An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization is not exposed to credit risk on the funding from various government agencies and affiliates.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional information based on those forecasts. The organization has a line of credit available to assist with cash requirements over the short term.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the organization's operations that arise from fluctuations of foreign exchange rates. The organization is not exposed to significant currency risk as it does not hold financial instruments denominated in a foreign currency.

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's interest bearing assets and liabilities include its line of credit, investments and long term debt. The organization is exposed to interest rate risk primarily through its floating interest rate line of credit at those times when the line of credit is utilized. The organization will be exposed to interest rate risk upon the maturity of the guaranteed investment certificates if market rates vary from the rates currently being offered on these investments. The long term debt bears interest at a fixed rate and, as such, the organization is exposed to the risk associated with having a fixed rate, but has the security of a fixed rate for operational management purposes.

(continues)

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2025

13. FINANCIAL INSTRUMENTS *(continued)*

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. In management's opinion, the organization is not exposed to significant other price risk.

Regional HIV/AIDS Connection
Schedule of Operating Funds
For the Year Ended March 31, 2025

	March 31 2025							March 31 2024	
	CAF Fund	ODDP Fund	Counterpoint Fund	OMOH Fund	John Gordon Home Fund	Carepoint Fund	General Fund	Total	Total
Revenues									
Government funding (note 9)	\$ 393,531	\$ 355,976	\$ 500,685	\$ 1,470,095	\$ 680,317	\$ 1,880,455	\$ 190,000	\$ 5,471,059	\$ 5,324,928
Donations			958,005				79,364	1,037,369	762,901
Amortization of deferred capital contributions (note 8)	14		20,000	347,877	29,688	45,889		443,468	446,847
Grants and other service revenue		26,181					246,608	272,789	204,837
Occupancy charges					232,693			232,693	222,681
Interest and other					48,718	606	42,521	91,845	48,130
Fundraising and special events							76,804	76,804	94,994
	393,545	382,157	1,478,690	1,817,972	991,416	1,926,950	635,297	7,626,027	7,105,318
Expenses									
Salaries and benefits	297,953	88,406	238,448	1,165,638	686,506	1,123,502	404,828	4,005,281	3,526,778
Donated materials			958,005					958,005	710,789
Amortization	14		20,000	347,877	79,993	45,889	191,787	685,560	666,691
Rent, security and maintenance costs	16,489		8,000	112,750		441,479	48,566	627,284	602,865
Program costs and resource materials	9,352	351	232,167	72,064	37,632	110,358	139,621	601,545	710,761
Subcontract	48,832	251,246		17,670			50,893	368,641	363,153
Computer maintenance and support	9,850	11,995	5,750	36,293	600		39,500	103,988	117,140
Repairs and maintenance					100,469			100,469	76,011
Office	1,744		3,869	13,836	23,746	5,172	13,073	61,440	67,943
Special events							43,197	43,197	7,702
Conference and staff development	292		393	14,155	435	9,872	9,198	34,345	42,395
Telephone	3,400	343		5,675	3,073		16,015	28,506	35,025
Professional fees				11,400	4,208	1,000	9,497	26,105	31,539
Insurance				8,689	6,450		6,000	21,139	20,823
Travel	5,619	2,522	58	2,639	2,138	2,361	1,772	17,109	24,219
Property taxes					14,738			14,738	13,381
Advertising and promotion							13,010	13,010	7,243
Interest on long term debt					11,719			11,719	13,058
Bank charges and interest							9,930	9,930	2,147
Administration (recovery)		27,294	12,000		19,709	187,317	(238,513)	7,807	12,644
Volunteer development and appreciation				7,286			175	7,111	8,213
OAN costs				2,000				2,000	2,000
Membership fees (recovery)					-		1,690	1,690	1,190
	393,545	382,157	1,478,690	1,817,972	991,416	1,926,950	759,889	7,750,619	7,063,710
Excess (deficiency) of revenues over expenses for the year	-	-	-	-	-	-	(124,592)	(124,592)	41,608
Fund balances, beginning of year	-	26,585	-	-	180,543	-	1,000,717	1,207,845	1,178,237
Interfund transfers (note 12)	-	-	-	-			38,000	38,000	(12,000)
Fund balances, end of year	\$ -	\$ 26,585	\$ -	\$ -	\$ 180,543	\$ -	\$ 914,125	\$ 1,121,253	\$ 1,207,845

See accompanying notes to the financial statements.

Regional HIV/AIDS Connection
Schedule of Restricted Funds
For the Year Ended March 31, 2025

	March 31 2025				March 31 2024
	Contingency Working Capital Fund	Capital Replacement Reserve Fund	COVID-19 Recovery Fund	Total	Total
Revenues					
Government funding (note 9)	\$ -	\$ 34,917	\$ -	\$ 34,917	\$ 54,817
Interest and other				-	-
	-	34,917	-	34,917	54,817
Expenses					
Bank charges and interest	-	-	-	-	-
Excess of revenues over expenses for the year	-	34,917	-	34,917	54,817
Fund balances, beginning of year	128,382	166,266	239,397	588,862	522,045
Interfund transfers (note 12)	12,000	-	(50,000)	(38,000)	12,000
Fund balances, end of year	\$ 140,382	\$ 201,183	\$ 189,397	\$ 585,779	\$ 588,862

Regional HIV/AIDS Connection
Schedule of OMOH / Ontario Health West Programs
March 31, 2025

	ODDP	HIV/IDU Outreach	Community Based Education	JGH MOH: Housing	JGH OH West	Carepoint Wrap Around OH West	Carepoint	Total
Revenues								
Total funding received (note 9)	\$ 355,976	\$ 417,660	\$ 1,052,435	\$ 158,831	\$ 552,986	\$ 227,600	\$ 1,818,285	\$ 4,583,773
Less: amounts spent on capital items								-
Less: amounts repaid to OMOH								-
Less: unspent amounts repayable to OMOH						-	(164,824)	(164,824)
	355,976	417,660	1,052,435	158,831	552,986	227,600	1,653,461	4,418,949
Expenses								
Salaries and benefits	88,384	316,154	849,484		552,986	176,552	946,950	2,930,510
Rent, security and maintenance costs		27,750	85,000			9,250	432,229	554,229
Subcontract	225,087		17,670					242,757
Administration	27,294					26,890	160,427	214,611
Program costs and resource materials	351	66,565	5,499			5,125	105,233	182,773
Computer maintenance and support	11,995		36,293					48,288
Amortization				42,537				42,537
Conference and staff development		4,278	9,877			1,250	8,622	24,027
Office		2,600	11,236			5,172		19,008
Professional fees			11,400			1,000		12,400
Property Taxes				14,738				14,738
Interest on long term debt				11,719				11,719
Telephone	343		5,675					6,018
Repairs and maintenance				83,387				83,387
Insurance			8,689	6,450				15,139
Volunteer development and appreciation			7,286					7,286
Travel	2,522	313	2,326			2,361		7,522
Advertising and promotion								-
OAN costs			2,000					2,000
Memberships								-
	355,976	417,660	1,052,435	158,831	552,986	227,600	1,653,461	4,418,949
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -