

**REGIONAL HIV/AIDS CONNECTION**  
**Financial Statements**  
**Year Ended March 31, 2022**

**REGIONAL HIV/AIDS CONNECTION**  
**Index to Financial Statements**  
**Year Ended March 31, 2022**

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2022, 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, 2022, 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, 2022, current assets and net assets as at March 31, 2022.

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.

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*Jeremy A. Giles CPA, CA      Lissa Savage CPA, CA, CPA (Illinois)*

*Mark Snyders CPA, CA      Dillon O'Henly CPA, CA*

*James B. MacNeill FCPA, FCA, CFP (Counsel)      Robert F. Edmundson CPA, CA (Retired)*

**MACNEILL EDMUNDSON**  
PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT *(continued)***

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*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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*Jeremy A. Giles CPA, CA      Lissa Savage CPA, CA, CPA (Illinois)*

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**MACNEILL EDMUNDSON**  
PROFESSIONAL CORPORATION  
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**INDEPENDENT AUDITOR'S REPORT (continued)**

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*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.

London, Ontario  
June 22, 2022

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

*Jeremy A. Giles CPA, CA      Lissa Savage CPA, CA, CPA (Illinois)*

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**Regional HIV/AIDS Connection**  
**Statement of Financial Position**  
**March 31, 2022**

	<b>March 31 2022</b>			<b>March 31 2021</b>	
	<b>Operating Funds</b>	<b>Restricted Funds</b>	<b>Endowment Fund</b>	<b>Total</b>	<b>Total</b>
<b>Assets</b>					
Current					
Cash	\$ 760,294	\$ -	\$ -	\$ 760,294	\$ 1,343,107
Investments (note 4)	383,219	-	-	383,219	382,697
Grants and other amounts receivable	598,584	-	-	598,584	575,561
HST rebate recoverable	278,860	-	-	278,860	101,124
Inventory of supplies	89,724	-	-	89,724	106,948
Due from other funds	-	1,174,528	20,079	-	-
Prepaid expenses	5,390	-	-	5,390	4,743
	2,116,071	1,174,528	20,079	2,116,071	2,514,180
Capital assets (note 5)	1,443,770	-	-	1,443,770	1,199,407
	<b>\$ 3,559,841</b>	<b>\$ 1,174,528</b>	<b>\$ 20,079</b>	<b>\$ 3,559,841</b>	<b>\$ 3,713,587</b>
<b>Liabilities</b>					
Current					
Accounts payable and accrued liabilities	\$ 590,544	\$ -	\$ -	\$ 590,544	\$ 1,026,008
Due to other funds	1,194,607	-	-	-	-
Deferred contributions (note 6)	275,462	-	-	275,462	242,093
Current portion of long term debt (note 7)	39,964	-	-	39,964	38,724
	2,100,577	-	-	905,970	1,306,825
Long term debt (note 7)	435,901	-	-	435,901	476,271
Deferred capital contributions (note 8)	529,564	-	-	529,564	499,294
	3,066,042	-	-	1,871,435	2,282,390
<b>Fund balances</b>	493,799	1,174,528	20,079	1,688,406	1,431,197
	<b>\$ 3,559,841</b>	<b>\$ 1,174,528</b>	<b>\$ 20,079</b>	<b>\$ 3,559,841</b>	<b>\$ 3,713,587</b>
<b>Commitments (note 10, 13)</b>					

ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**Regional HIV/AIDS Connection**  
**Statement of Operations and Fund Balances**  
**For the Year Ended March 31, 2022**

	March 31, 2022			March 31 2021	
	Operating Funds (Schedule 1)	Restricted Funds (Schedule 2)	Endowment Fund	Total	Total
<b>Revenues</b>					
Government funding (note 9)	5,021,726	\$ 3,417	\$ -	\$ 5,025,143	\$ 4,725,184
Donations	615,921	-	-	615,921	627,288
Wage subsidy	324,778	-	-	324,778	620,145
Occupancy charges (note 11)	179,392	-	-	179,392	181,161
Grants and other service revenue	111,202	-	-	111,202	179,324
Interest and other	58,312	-	-	58,312	37,793
Amortization of deferred capital contributions (note 8)	14,902	-	-	14,902	17,978
Fundraising and special events	25,572	-	-	25,572	18,768
	<b>6,351,805</b>	<b>3,417</b>	<b>-</b>	<b>6,355,222</b>	<b>6,407,641</b>
<b>Expenses</b>					
Salaries and benefits	3,324,804	-	-	3,324,804	3,215,614
Program costs and resource materials	796,435	-	-	796,435	702,502
Rent, security and maintenance costs	651,884	-	-	651,884	539,484
Donated materials	585,102	-	-	585,102	575,899
Subcontract	246,297	-	-	246,297	271,907
Office	93,580	-	-	93,580	64,527
Amortization	62,347	-	-	62,347	67,917
Repairs and maintenance	59,784	-	-	59,784	66,036
Computer maintenance and support	58,085	-	-	58,085	77,443
Conference and staff development	38,585	-	-	38,585	16,488
Administration	34,873	-	-	34,873	127,293
Professional fees	34,233	-	-	34,233	35,101
Telephone	26,940	-	-	26,940	30,662
Insurance	20,125	-	-	20,125	16,554
Travel	16,264	-	-	16,264	18,057
Interest on long term debt	15,128	-	-	15,128	16,721
Advertising and promotion	15,061	-	-	15,061	3,065
Property taxes	12,766	-	-	12,766	12,258
Bank charges and interest	2,742	-	-	2,742	3,181
Volunteer development and appreciation	1,532	-	-	1,532	9,789
Membership fees	1,157	-	-	1,157	736
Special events	289	-	-	289	957
OAN costs	-	-	-	-	2,000
	<b>6,098,013</b>	<b>-</b>	<b>-</b>	<b>6,098,013</b>	<b>5,874,191</b>
<b>Excess of revenues over expenses for the year</b>	<b>253,792</b>	<b>3,417</b>	<b>-</b>	<b>257,209</b>	<b>533,450</b>
<b>Fund balances, beginning of year</b>	<b>526,404</b>	<b>884,714</b>	<b>20,079</b>	<b>1,431,197</b>	<b>897,747</b>
Interfund transfers (note 11)	(286,397)	286,397	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 493,799</b>	<b>\$ 1,174,528</b>	<b>\$ 20,079</b>	<b>\$ 1,688,406</b>	<b>\$ 1,431,197</b>

**REGIONAL HIV/AIDS CONNECTION****Statement of Cash Flows****Year Ended March 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses for the year	\$ 257,209	\$ 533,450
Items not affecting cash:		
Amortization of capital assets	62,345	67,918
Amortization of deferred capital contributions	(14,902)	(17,978)
	<b>304,652</b>	<b>583,390</b>
Changes in non-cash working capital:		
Grants and other amounts receivable	(23,023)	(186,860)
HST rebate recoverable	(177,736)	155,476
Inventory of supplies	17,224	(48,937)
Prepaid expenses	(647)	8,246
Accounts payable and accrued liabilities	(435,465)	156,578
Deferred contributions	33,369	131,640
	<b>(586,278)</b>	<b>216,143</b>
Cash flow from (used by) operating activities	<b>(281,626)</b>	<b>799,533</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of guaranteed investment certificates	(522)	(3,069)
Purchase of capital assets	(306,709)	(220,000)
Cash flow used by investing activities	<b>(307,231)</b>	<b>(223,069)</b>
<b>FINANCING ACTIVITIES</b>		
Contributions received towards purchase of capital assets	45,172	320,000
Repayment of long term debt	(39,128)	(37,536)
Cash flow from financing activities	<b>6,044</b>	<b>282,464</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(582,813)</b>	<b>858,928</b>
Cash - beginning of year	1,343,107	484,179
<b>CASH - END OF YEAR</b>	<b>\$ 760,294</b>	<b>\$ 1,343,107</b>



**REGIONAL HIV/AIDS CONNECTION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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**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.

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**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).

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**REGIONAL HIV/AIDS CONNECTION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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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, 2022**

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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, 2022**

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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

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, 2022**

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 rate between 0.20% and 0.60% and maturity dates ranging from June 2022 to December 2022.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 105,893	\$ -	\$ 105,893	\$ 105,893
Building - 596 Pall Mall Street	1,089,336	613,470	475,866	514,995
Building upgrades	635,863	329,135	306,728	319,509
Furniture and office equipment	349,514	324,326	25,188	31,485
Leasehold improvements	720,422	238,885	481,537	220,000
Computer equipment	211,848	208,462	3,386	7,525
Computer software	30,316	30,316	-	-
Motor vehicles	45,172	-	45,172	-
	<b>\$ 3,188,364</b>	<b>\$ 1,744,594</b>	<b>\$ 1,443,770</b>	<b>\$ 1,199,407</b>

Leasehold improvements have not been amortized on the York Street and the Queen Street properties as they have not yet been occupied.

**REGIONAL HIV/AIDS CONNECTION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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.

	<b>2022</b>	<b>2021</b>
<b>Deferred contributions - expenses of future periods</b>		
General fund	\$ 123,334	\$ 149,878
Counterpoint fund - externally restricted	152,128	92,215
	<b>\$ 275,462</b>	<b>\$ 242,093</b>

7. LONG TERM DEBT

	<b>2022</b>	<b>2021</b>
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.	\$ 475,867	\$ 514,995
Amounts payable within one year	(39,964)	(38,724)
	<b>\$ 435,903</b>	<b>\$ 476,271</b>

Principal repayment terms are approximately:

2023	\$ 39,964
2024	41,195
2025	42,534
2026	43,881
2027	45,271
Thereafter	263,022
	<b>\$ 475,867</b>

**REGIONAL HIV/AIDS CONNECTION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

**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:

	2022	2021
Balance, beginning of year	\$ 499,294	\$ 197,272
Contributions received during the year	45,172	320,000
Amount amortized to revenue in the year	(14,902)	(17,978)
	<b>\$ 529,564</b>	<b>\$ 499,294</b>

**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:

	2022	2021
<b>CAF Fund</b>		
HIV and Hepatitis C Community Action Fund	\$ 289,962	\$ 296,414
PHAC Alliance	62,641	61,545
Subtotal	352,603	357,959
Less: Unspent amounts repayable to funder	(40,106)	(18,524)
Total revenue recognized in the year	<b>\$ 312,497</b>	<b>\$ 339,435</b>
<b>OODP Fund</b>		
Ontario Ministry of Health funding	\$ 305,976	\$ 305,976
Less: Unspent amounts repayable to OMOH	-	(1,498)
Total revenue recognized in the year	<b>\$ 305,976</b>	<b>\$ 304,478</b>

*(continues)*

**REGIONAL HIV/AIDS CONNECTION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

9. GOVERNMENT FUNDING *(continued)*

<b>Counterpoint Fund</b>		
Middlesex London Health Unit - funding received	\$ 586,120	\$ 586,114
Less: deferred capital contributions (note 8)	-	(100,000)
Funding utilized from (deferred to) a future year	(59,913)	(15,580)
<b>Total revenue recognized in the year</b>	<b>\$ 526,207</b>	<b>\$ 470,534</b>
<b>OMOH Fund</b>		
Community-based AIDS Education and Support	\$ 931,764	\$ 931,752
HIV/IDU Outreach Project	406,131	306,120
Deferred capital contributions portion of funding (note 9)	(45,172)	-
<b>Subtotal</b>	<b>1,292,723</b>	<b>1,237,872</b>
Less: Unspent amounts repayable to OMOH	(23,829)	(42,763)
<b>Total revenue recognized in the year</b>	<b>\$ 1,268,894</b>	<b>\$ 1,195,109</b>
	<b>2022</b>	<b>2021</b>
<b>John Gordon Home Fund</b>		
Ontario Health (West)	\$ 464,672	\$ 478,362
Ontario Ministry of Health: Housing	128,091	128,208
South West LHIN one time funding	6,862	-
<b>Total revenue recognized in the year</b>	<b>\$ 599,625</b>	<b>\$ 606,570</b>
<b>Carepoint Consumption and Treatment Services Fund</b>		
Ontario Ministry of Health	\$ 1,734,200	\$ 1,569,260
Ontario Health (West)	216,700	464,147
Less: mid-year funding adjustment for unspent amounts	-	(63,775)
<b>Subtotal</b>	<b>1,950,900</b>	<b>1,969,632</b>
Less: Unspent amounts repayable to OMOH	(179,292)	(83,303)
Less: Deferred capital contributions (note 8)	-	(220,000)
<b>Total revenue recognized in the year</b>	<b>\$ 1,771,608</b>	<b>\$ 1,666,329</b>
<b>General Fund</b>		
London Intercommunity Health Centre	\$ 236,919	\$ 139,312
<b>Capital Replacement Reserve Fund</b>		
Annual contribution	\$ 3,417	\$ 3,417



**REGIONAL HIV/AIDS CONNECTION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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10. LEASE COMMITMENT

The organization is leasing property at 186 King Street and 400 York Street under leases which expire in the upcoming year (June 2022 and March 2023 respectively).

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 are as follows:

2023	\$ 294,433
2024	163,177
2025	164,394
2026	165,623
2027	170,888
Thereafter	<u>781,013</u>
	<u>\$ 1,739,528</u>

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11. INTERFUND TRANSFERS

During the year, the Board of Directors approved the transfer of \$337,000 (2021 - \$312,000) from the General Fund to the Contingency Working Capital Fund, a transfer of Nil (2021 - \$290,000) from the General Fund to the COVID-19 Recovery Fund, as well as a transfer of \$50,603 from the COVID-19 Recovery Fund to the General Fund.

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**REGIONAL HIV/AIDS CONNECTION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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12. 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 polices 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, 2022**

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12. 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.

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13. COMMITMENTS

The organization has entered into a contract with Bronnenco Construction Ltd. for leasehold improvements at 602 Queens Avenue. The expected total contract cost is \$2,287,588, with \$1,340,913 being completed at of March 31, 2022. Of the total contract cost, 79.15% of the costs are being reimbursed by other parties for their share of expenditures. The organization's expected share of future costs to complete is \$197,000. Included in leasehold improvements is \$261,000 of costs relating to the project.

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14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**Regional HIV/AIDS Connection  
Schedule of Operating Funds  
For the Year Ended March 31, 2022**

	March 31 2022					March 31 2021		
	CAF Fund	ODDP Fund	Counterpoint Fund	OMOH Fund	John Gordon Home Fund	Carepoint Fund	General Fund	Total
<b>Revenues</b>								
Government funding (note 9)	\$ 312,497	\$ 305,976	\$ 526,207	\$ 1,268,894	\$ 599,625	\$ 1,771,608	\$ 236,919	\$ 5,021,726
Donations			585,102				30,819	615,921
Wage subsidy					179,392		324,778	324,778
Occupancy charges							88,729	179,392
Grants and other service revenue		22,473			34,467	595	23,250	111,202
Interest and other				171	10,881	3,689		58,312
Amortization of deferred capital contributions (note 8)	161							14,902
Fundraising and special events							25,572	25,572
	312,658	328,449	1,111,309	1,269,065	824,365	1,775,892	730,067	6,351,805
<b>Expenses</b>								
Salaries and benefits	260,247	91,834	152,161	883,175	576,402	1,017,322	343,663	3,324,804
Program costs and resource materials	8,638	102	332,904	215,683	37,768	85,341	115,999	796,435
Rent, security and maintenance costs	7,776		8,000	92,075	250	483,823	59,960	651,884
Donated materials			585,102					585,102
Subcontract	26,831	198,209					21,257	246,297
Office	2,000		3,800	16,807	27,329	5,196	38,448	93,580
Amortization	161			171	59,784	3,689		62,347
Repairs and maintenance								59,784
Computer maintenance and support	1,580	19,147	5,054	19,633	600		12,071	66,036
Conference and staff development	1,600		2,000	2,271	2,303	9,136	21,275	58,085
Administration (recovery)		23,555	10,000	2,500	24,309	165,612	(191,103)	38,585
Professional fees			11,628	13,987	4,208	1,000		34,873
Telephone	3,419	314	660	12,705	5,411		4,431	34,233
Insurance				2,850	6,450		10,825	26,940
Travel				4,387	3,286	4,773	3,412	20,125
Interest on long term debt					15,128			16,264
Advertising and promotion	406			1,529	810		12,722	15,128
Property taxes					12,766			15,061
Bank charges and interest							2,742	3,065
Volunteer development and appreciation				1,232	-		300	12,766
Membership fees				60	717			2,742
Special events							380	1,532
OAN costs							289	1,157
								289
								957
								2,000
								-
<b>Excess (deficiency) of revenues over expenses for the year</b>								
		(4,712)	-	-	(11,482)	-	269,986	253,792
<b>Fund balances, beginning of year</b>		33,603	-	-	206,164	-	286,637	526,404
Interfund transfers (note 11)		-	-	-	-	-	(286,397)	(286,397)
<b>Fund balances, end of year</b>		\$ 28,891	\$ -	\$ -	\$ 194,682	\$ -	\$ 270,226	\$ 493,799
	312,658	333,161	1,111,309	1,269,065	835,847	1,775,892	460,081	6,098,013
								5,874,191

Regional HIV/AIDS Connection  
 Schedule of Restricted Funds  
 For the Year Ended March 31, 2022

	March 31			Total	Total
	2022	2021	2021		
	Contingency Working Capital Fund	Capital Replacement Reserve Fund	COVID-19 Recovery Fund		
<b>Revenues</b>					
Government funding (note 9)	\$ -	\$ 3,417	\$ -	\$ 3,417	\$ 3,417
Interest and other	-	3,417	-	3,417	3,417
<b>Expenses</b>					
Bank charges and interest	-	-	-	-	-
<b>Excess of revenues over expenses for the year</b>	-	3,417	-	3,417	3,417
<b>Fund balances, beginning of year</b>	454,382	140,332	290,000	884,714	279,297
Interfund transfers (note 11)	337,000	-	(50,603)	286,397	602,000
<b>Fund balances, end of year</b>	\$ 791,382	\$ 143,749	\$ 239,397	\$ 1,174,528	\$ 884,714

Regional HIV/AIDS Connection  
Schedule of OMOH/ SWLHIN Programs  
March 31, 2022

	OODP	HIV/IDU Outreach	Community Based Education	JGH Housing	JGH Ontario Health	Carepoint		Total
						JGH Ontario Health	Wrap Around Ontario Health	
<b>Revenues</b>								
Total funding received (note 9)	\$ 305,976	406,131	931,764	128,091	464,672	223,562	1,734,200	\$ 4,194,396
Less: amounts spent on capital items		(45,172)						(45,172)
Less: amounts repaid to OMOH			(23,829)				(178,696)	(202,525)
Less: unspent amounts repayable to OMOH	305,976	360,959	907,935	128,091	464,672	223,562	1,555,504	3,946,699
<b>Expenses</b>								
Salaries and benefits	87,123	179,102	704,073	26,119	464,672	164,648	859,287	2,485,024
Rent, security and maintenance costs		16,774	75,301			9,510	474,563	576,148
Subcontract	175,736							175,736
Administration	23,555		2,500			26,890	138,722	191,667
Program costs and resource materials	101	149,483	66,200			10,295	75,046	301,125
Office		2,600	14,207			5,196		22,003
Computer maintenance and support	19,147	6,368	13,265					38,780
Amortization				39,128				39,128
Repairs and maintenance				28,500				28,500
Interest on long term debt				15,128				15,128
Travel		352						9,160
Conference and staff development							7,886	11,407
Property Taxes				12,766				12,766
Insurance			2,850	6,450				9,300
Professional fees			13,987					14,987
Volunteer development and appreciation			1,232			1,000		1,232
Telephone		6,280	6,425					13,019
Advertising and promotion	314		1,529					1,529
OAN costs								-
Membership fees			60					60
	\$ 305,976	\$ 360,959	\$ 907,935	\$ 128,091	\$ 464,672	\$ 223,562	\$ 1,555,504	\$ 3,946,699
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -