

REGIONAL HIV/AIDS CONNECTION
Financial Statements
Year Ended March 31, 2024

REGIONAL HIV/AIDS CONNECTION
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Year Ended March 31, 2024

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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, 2024, 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, 2024, 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, 2024, current assets and net assets as at March 31, 2024.

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.

London, Ontario
June 19, 2024

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

Regional HIV/AIDS Connection
Statement of Financial Position
March 31, 2024

	March 31 2024				March 31 2023
	Operating Funds	Restricted Funds	Endowment Fund	Total	Total
Assets					
Current					
Cash	\$ 514,752	\$ -	\$ -	\$ 514,752	\$ 1,190,436
Investments (note 4)	390,752	-	-	390,752	384,468
Grants and other amounts receivable	341,001	-	-	341,001	442,575
HST rebate recoverable	614,977	-	-	614,977	442,474
Inventory of supplies	102,280	-	-	102,280	117,278
Due from other funds	-	588,862	20,079	-	-
Prepaid expenses	10,179	-	-	10,179	10,743
	1,973,941	588,862	20,079	1,973,941	2,587,974
Capital assets (note 5)	3,382,079	-	-	3,382,079	3,770,502
	\$ 5,356,020	\$ 588,862	\$ 20,079	\$ 5,356,020	\$ 6,358,476
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 745,470	\$ -	\$ -	\$ 745,470	\$ 1,493,205
Due to other funds	608,941	-	-	-	-
Deferred contributions (note 6)	459,776	-	-	459,776	322,876
Current portion of long term debt (note 7)	42,537	-	-	42,537	41,198
	1,856,724	-	-	1,247,783	1,857,279
Long term debt (note 7)	352,069	-	-	352,069	394,607
Deferred capital contributions (note 8)	1,939,382	-	-	1,939,382	2,386,229
	4,148,175	-	-	3,539,234	4,638,115
Fund balances	1,207,845	588,862	20,079	1,816,786	1,720,361
	\$ 5,356,020	\$ 588,862	\$ 20,079	\$ 5,356,020	\$ 6,358,476
Commitments (note 10)					

ON BEHALF OF THE BOARD:



 Director



 Director

Regional HIV/AIDS Connection
Statement of Operations and Fund Balances
For the Year Ended March 31, 2024

	March 31, 2024				March 31 2023
	Operating Funds (Schedule 1)	Restricted Funds (Schedule 2)	Endowment Fund	Total	Total
Revenues					
Government funding (note 9)	5,324,928	\$ 54,817	\$ -	\$ 5,379,745	\$ 5,065,584
Donations	762,901	-	-	762,901	679,613
Amortization of deferred capital contributions (note 8)	446,847	-	-	446,847	26,159
Occupancy charges	222,681	-	-	222,681	178,726
Grants and other service revenue	204,837	-	-	204,837	141,327
Fundraising and special events	94,994	-	-	94,994	42,473
Interest and other	48,130	-	-	48,130	84,207
	7,105,318	54,817	-	7,160,135	6,218,089
Expenses					
Salaries and benefits	3,526,778	-	-	3,526,778	3,320,500
Program costs and resource materials	710,761	-	-	710,761	696,000
Donated materials	710,789	-	-	710,789	619,404
Amortization	666,691	-	-	666,691	74,361
Rent, security and maintenance costs	602,865	-	-	602,865	728,982
Subcontract	363,153	-	-	363,153	255,789
Computer maintenance and support	117,140	-	-	117,140	116,208
Repairs and maintenance	76,011	-	-	76,011	74,644
Office	67,943	-	-	67,943	91,218
Conference and staff development	42,395	-	-	42,395	26,212
Telephone	35,025	-	-	35,025	42,193
Professional fees	31,539	-	-	31,539	27,361
Travel	24,219	-	-	24,219	27,901
Insurance	20,823	-	-	20,823	15,544
Property taxes	13,381	-	-	13,381	12,922
Interest on long term debt	13,058	-	-	13,058	14,194
Administration	12,644	-	-	12,644	8,938
Volunteer development and appreciation	8,213	-	-	8,213	7,794
Special events	7,702	-	-	7,702	69
Advertising and promotion	7,243	-	-	7,243	15,334
Bank charges and interest (recovery)	2,147	-	-	2,147	4,198
OAN costs	2,000	-	-	2,000	2,000
Membership fees	1,190	-	-	1,190	4,368
	7,063,710	-	-	7,063,710	6,186,134
Excess of revenues over expenses for the year	41,608	54,817	-	96,425	31,955
Fund balances, beginning of year	1,178,237	522,045	20,079	1,720,361	1,688,406
Interfund transfers (note 11)	(12,000)	12,000	-	-	-
Fund balances, end of year	\$ 1,207,845	\$ 588,862	\$ 20,079	\$ 1,816,786	\$ 1,720,361

REGIONAL HIV/AIDS CONNECTION

Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ 96,425	\$ 31,955
Items not affecting cash:		
Amortization of capital assets	666,691	74,361
Amortization of deferred capital contributions	(446,847)	(26,159)
	316,269	80,157
Changes in non-cash working capital:		
Grants and other amounts receivable	8,789	248,794
HST rebate recoverable	(172,503)	(163,614)
Inventory of supplies	14,998	(27,554)
Prepaid expenses	564	(5,353)
Accounts payable and accrued liabilities	(654,949)	809,876
Deferred contributions	136,900	47,414
	(666,201)	909,563
Cash flow from (used by) operating activities	(349,932)	989,720
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificates	(6,284)	(1,249)
Purchase of capital assets	(278,270)	(2,401,093)
Cash flow used by investing activities	(284,554)	(2,402,342)
FINANCING ACTIVITIES		
Contributions received towards purchase of capital assets	-	1,882,824
Repayment of long term debt	(41,198)	(40,060)
Cash flow from (used by) financing activities	(41,198)	1,842,764
INCREASE (DECREASE) IN CASH	(675,684)	430,142
Cash - beginning of year	1,190,436	760,294
CASH - END OF YEAR	\$ 514,752	\$ 1,190,436

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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 at 3.00% and maturity dates ranging from June 2024 to December 2024.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 105,893	\$ -	\$ 105,893	\$ 105,893
Building - 596 Pall Mall Street	1,089,336	694,730	394,606	435,805
Building upgrades	635,863	353,182	282,681	294,459
Furniture and office equipment	365,292	337,812	27,480	34,351
Leasehold improvements	3,290,459	830,728	2,459,731	2,866,851
Fencing	93,546	4,677	88,869	-
Computer equipment	211,848	211,163	685	1,523
Computer software	30,316	30,316	-	-
Motor vehicles	45,172	23,038	22,134	31,620
	\$ 5,867,725	\$ 2,485,646	\$ 3,382,079	\$ 3,770,502

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2024

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.

	2024	2023
Deferred contributions - expenses of future periods		
General fund	\$ 179,566	\$ 111,924
Counterpoint fund - externally restricted	280,210	210,952
	\$ 459,776	\$ 322,876

7. LONG TERM DEBT

	2024	2023
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.	\$ 394,606	\$ 435,805
Amounts payable within one year	(42,537)	(41,198)
	\$ 352,069	\$ 394,607

Principal repayment terms are approximately:

2025	\$ 42,537
2026	43,884
2027	45,274
2028	46,689
2029	216,222
	<u>\$ 394,606</u>

REGIONAL HIV/AIDS CONNECTION

Notes to Financial Statements

Year Ended March 31, 2024

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:

	2024	2023
Balance, beginning of year	\$ 2,386,229	\$ 529,564
Contributions received during the year	-	1,882,824
Amount amortized to revenue in the year	(446,847)	(26,159)
	\$ 1,939,382	\$ 2,386,229

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:

	2024	2023
CAF Fund		
HIV and Hepatitis C Community Action Fund	\$ 198,975	\$ 159,891
PHAC Sex Worker Initiative for Safety & Health	171,810	117,118
Subtotal	370,785	277,009
Less: Unspent amounts repayable to funder	(38,200)	(39,665)
Total revenue recognized in the year	\$ 332,585	\$ 237,344
OODP Fund		
Ontario Ministry of Health funding	\$ 330,978	\$ 305,976
Ontario Ministry of Health one-time funding	38,500	-
Total revenue recognized in the year	\$ 369,478	\$ 305,976

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REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2024

9. GOVERNMENT FUNDING (*continued*)

	2024	2023
Counterpoint Fund		
Middlesex London Health Unit - funding received	\$ 569,943	\$ 586,104
Funding utilized from (deferred to) a future year	(69,258)	(58,824)
Total revenue recognized in the year	\$ 500,685	\$ 527,280
OMOH Fund		
Community-based AIDS Education and Support	\$ 1,002,422	\$ 931,780
HIV/IDU Outreach Project	417,662	406,116
One-time funding	40,000	-
Total revenue recognized in the year	\$ 1,460,084	\$ 1,337,896
John Gordon Home Fund		
Ontario Health (West)	\$ 495,495	\$ 485,358
Ontario Ministry of Health: Housing	129,336	128,091
Ontario Health (West) one time funding	-	208,215
Deferred capital contributions (note 9)	-	(176,718)
Total revenue recognized in the year	\$ 624,831	\$ 644,946
Carepoint Consumption and Treatment Services Fund		
Ontario Ministry of Health	\$ 1,818,287	\$ 1,734,746
Ontario Health (West)	227,609	216,700
Subtotal	2,045,896	1,951,446
Less: Unspent amounts repayable to OMOH	(189,484)	(131,663)
	\$ 1,856,412	\$ 1,819,783
General Fund		
London Intercommunity Health Centre	\$ 180,852	\$ 169,842
Capital Replacement Reserve Fund		
Annual contribution	\$ 3,417	\$ 3,417
One-time Ontario Ministry of Health contribution	51,400	19,100
Total revenue recognized in the year	\$ 54,817	\$ 22,517

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2024

10. 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:

2025	\$ 164,394
2026	165,623
2027	170,888
2028	177,517
2029	180,770
Thereafter	<u>422,725</u>
	<u>\$ 1,281,917</u>

11. INTERFUND TRANSFERS

During the year, the Board of Directors approved the transfer of \$12,000 (2023 - Nil) from the General Fund to the Contingency Working Capital Fund, a transfer of Nil (2023 - \$675,000) from the Contingency Working Capital Fund to the General Fund, as well as a transfer of Nil (2023 - Nil) from the COVID-19 Recovery Fund to the General Fund.

REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2024

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 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.

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REGIONAL HIV/AIDS CONNECTION
Notes to Financial Statements
Year Ended March 31, 2024

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.

Regional HIV/AIDS Connection
Schedule of Operating Funds
For the Year Ended March 31, 2024

	March 31 2024								March 31 2023
	CAF Fund	ODDP Fund	Counterpoint Fund	OMOH Fund	John Gordon Home Fund	Carepoint Fund	General Fund	Total	Total
Revenues									
Government funding (note 9)	\$ 332,585	\$ 369,478	\$ 500,685	\$ 1,460,084	\$ 624,831	\$ 1,856,412	\$ 180,853	\$ 5,324,928	\$ 5,043,067
Donations			710,789				52,112	762,901	679,613
Amortization of deferred capital contributions (note 8)	33		20,000	9,521	29,711	387,582		446,847	26,159
Occupancy charges					222,681			222,681	178,726
Grants and other service revenue		21,515					183,322	204,837	141,327
Fundraising and special events							94,994	94,994	42,473
Interest and other			300		22,596	290	24,944	48,130	84,207
	332,618	390,993	1,231,774	1,469,605	899,819	2,244,284	536,225	7,105,318	6,195,572
Expenses									
Salaries and benefits	243,620	83,867	125,358	1,068,097	614,998	1,102,242	288,596	3,526,778	3,320,500
Donated materials			710,789					710,789	619,404
Program costs and resource materials	9,622		347,398	83,737	40,393	104,027	125,584	710,761	696,000
Amortization	33		20,000	9,521	79,569	387,582	169,986	666,691	74,361
Rent, security and maintenance costs	16,067		8,000	126,050		431,718	21,030	602,865	728,982
Subcontract	42,654	266,449					54,050	363,153	255,789
Computer maintenance and support	3,150	15,873	4,430	91,266	600		1,821	117,140	116,208
Repairs and maintenance					76,011			76,011	74,644
Office	2,884		4,508	17,173	20,894	6,498	15,986	67,943	91,218
Conference and staff development	2,350		337	10,924	3,211	17,548	8,025	42,395	26,212
Telephone	2,300	229	660	22,955	3,222		5,659	35,025	42,193
Professional fees				17,929	4,208	1,000	8,402	31,539	27,361
Travel	9,938	1,020	294	5,993	3,314	1,928	1,732	24,219	27,901
Insurance				2,850	6,451		11,522	20,823	15,544
Property taxes					13,381			13,381	12,922
Interest on long term debt					13,058			13,058	14,194
Administration (recovery)		23,555	10,000		19,709	191,741	(232,361)	12,644	8,938
Volunteer development and appreciation				7,718			495	8,213	7,794
Special events							7,702	7,702	69
Advertising and promotion				2,992			4,251	7,243	15,334
Bank charges and interest							2,147	2,147	4,198
OAN costs				2,000				2,000	2,000
Membership fees (recovery)				400	800		(10)	1,190	4,368
	332,618	390,993	1,231,774	1,469,605	899,819	2,244,284	494,617	7,063,710	6,186,134
Excess (deficiency) of revenues over expenses for the year									
	-	-	-	-	-	-	41,608	41,608	9,438
Fund balances, beginning of year									
	-	26,585	-	-	180,543	-	971,109	1,178,237	493,799
Interfund transfers (note 11)	-	-	-	-			(12,000)	(12,000)	675,000
Fund balances, end of year									
	\$ -	\$ 26,585	\$ -	\$ -	\$ 180,543	\$ -	\$ 1,000,717	\$ 1,207,845	\$ 1,178,237

See accompanying notes to the financial statements.

Regional HIV/AIDS Connection
Schedule of Restricted Funds
For the Year Ended March 31, 2024

	March 31 2024				March 31 2023
	Contingency Working Capital Fund	Capital Replacement Reserve Fund	COVID-19 Recovery Fund	Total	Total
Revenues					
Government funding (note 9)	\$ -	\$ 54,817	\$ -	\$ 54,817	\$ 22,517
Interest and other				-	-
	-	54,817	-	54,817	22,517
Expenses					
Bank charges and interest	-	-	-	-	-
Excess of revenues over expenses for the year	-	54,817	-	54,817	22,517
Fund balances, beginning of year	116,382	166,266	239,397	522,045	1,174,528
Interfund transfers (note 11)	12,000	-	-	12,000	(675,000)
Fund balances, end of year	\$ 128,382	\$ 221,083	\$ 239,397	\$ 588,862	\$ 522,045

Regional HIV/AIDS Connection
Schedule of OMOH / Ontario Health West Programs
March 31, 2024

	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)	\$ 369,478	\$ 417,662	\$ 1,042,422	\$ 125,919	\$ 498,912	\$ 227,609	\$ 1,818,287	\$ 4,500,289
Less: amounts spent on capital items								-
Less: amounts repaid to OMOH								-
Less: unspent amounts repayable to OMOH						-	(189,194)	(189,194)
	369,478	417,662	1,042,422	125,919	498,912	227,609	1,629,093	4,311,095
Expenses								
Salaries and benefits	83,866	278,784	789,313		498,912	168,928	933,314	2,753,117
Rent, security and maintenance costs		50,750	75,300			11,097	420,621	557,768
Subcontract	244,935							244,935
Administration	23,555					31,314	160,427	215,296
Program costs and resource materials		31,575	52,162			5,594	98,433	187,764
Computer maintenance and support	15,873	34,036	57,230					107,139
Amortization				41,198				41,198
Conference and staff development		100	10,824			1,250	16,298	28,472
Office		2,600	14,573			6,498		23,671
Professional fees			17,929			1,000		18,929
Property Taxes				13,381				13,381
Interest on long term debt				13,058				13,058
Telephone	229	17,280	5,675					23,184
Repairs and maintenance				51,832				51,832
Insurance			2,850	6,450				9,300
Volunteer development and appreciation			7,718					7,718
Travel	1,020	2,537	3,456			1,928		8,941
Advertising and promotion			2,992					2,992
OAN costs			2,000					2,000
Memberships			400					400
	369,478	417,662	1,042,422	125,919	498,912	227,609	1,629,093	4,311,095
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -