REGIONAL HIV/AIDS CONNECTION

Financial Statements

Year Ended March 31, 2026

MACNEILL EDMUNDSON
PROFESSIONAL CORPORATION

REGIONAL HIV/AIDS CONNECTION

Index to Financial Statements

Year Ended March 31, 2026

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 Company), which comprise the statement of financial position as at March 31, 2026, 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 Company as at March 31, 2026, 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 Company 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 Company. 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, 2026, current assets and net assets as at March 31, 2026.

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 Company 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(continues)

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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 Company'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 Company'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 Company 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

London, Ontario
June 25, 2026

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

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Regional HIV/AIDS Connection
Statement of Financial Position
March 31, 2026

	March 31 2026				*March 31 2025*
	Operating Funds	**Restricted Funds**	**Endowment Fund**	**Total**	Total
Assets					
Current					
Cash	$ 717,781	$ -	$ -	**$ 717,781**	$ 1,320,153
Investments *(note 4)*	403,336	-	-	**403,336**	397,225
Grants and other amounts receivable	376,993	-	-	**376,993**	114,911
HST rebate recoverable	110,035	-	-	**110,035**	82,254
Inventory of supplies	82,994	-	-	**82,994**	82,994
Due from other funds	(571,275)	551,196	20,079	**-**	-
Prepaid expenses	33,511	-	-	**33,511**	41,574
	1,153,375	551,196	20,079	**1,724,650**	2,039,111
Capital assets *(note 5)*	2,014,254	-	-	**2,014,254**	2,696,521
	$ 3,167,629	**$ 551,196**	**$ 20,079**	**$ 3,738,904**	$ 4,735,632
Liabilities					
Current					
Accounts payable and accrued liabilities	$ 360,729	$ -	$ -	**$ 360,729**	$ 643,649
Deferred contributions *(note 6)*	375,150	-	-	**375,150**	516,889
Current portion of long term debt *(note 7)*	45,274	-	-	**45,274**	43,884
	781,153	-	-	**781,153**	1,204,422
Long term debt *(note 7)*	262,911	-	-	**262,911**	308,185
Deferred capital contributions *(note 8)*	1,152,026	-	-	**1,152,026**	1,495,914
	2,196,090	-	-	**2,196,090**	3,008,521
Fund balances	971,539	551,196	20,079	**1,542,814**	1,727,111
	$ 3,167,629	**$ 551,196**	**$ 20,079**	**$ 3,738,904**	$ 4,735,632

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, 2026

	March 31, 2026				*March 31 2025*
	Operating Funds (Schedule 1)	**Restricted Funds (Schedule 2)**	**Endowment Fund**	**Total**	Total
Revenues					
Government funding *(note 9)*	5,943,085	$ 3,417	$ -	**$ 5,946,502**	$ 5,505,976
Donations	1,145,805	-	-	**1,145,805**	1,037,369
Amortization of deferred capital contributions *(note 8)*	490,658	-	-	**490,658**	443,468
Grants and other service revenue	324,664			**324,664**	272,789
Occupancy charges	229,788	-	-	**229,788**	232,693
Interest and other	107,159	-	-	**107,159**	91,845
Fundraising and special events	46,271	-	-	**46,271**	76,804
	8,287,430	**3,417**	**-**	**8,290,847**	7,660,944
Expenses					
Salaries and benefits	4,281,419	-	-	**4,281,419**	4,005,281
Donated materials	1,098,906	-	-	**1,098,906**	958,005
Amortization	682,267	-	-	**682,267**	685,560
Rent, security and maintenance costs	666,925	-	-	**666,925**	627,284
Program costs and resource materials	557,820	-	-	**557,820**	601,545
Repairs and maintenance	373,353	-	-	**373,353**	100,469
Subcontract	344,247	-	-	**344,247**	368,641
Computer maintenance and support	145,286	-	-	**145,286**	103,988
Office	91,565	-	-	**91,565**	61,440
Special events	40,082	-	-	**40,082**	43,197
Telephone	29,055	-	-	**29,055**	28,506
Professional fees	27,855	-	-	**27,855**	26,105
Insurance	26,825	-	-	**26,825**	21,139
Conference and staff development	23,897	-	-	**23,897**	34,345
Travel	17,093	-	-	**17,093**	17,109
Property taxes	15,522	-	-	**15,522**	14,738
Advertising and promotion	14,110	-	-	**14,110**	13,010
Interest on long term debt	10,372	-	-	**10,372**	11,719
Volunteer development and appreciation	10,124	-	-	**10,124**	7,111
Bank charges and interest	8,653	-	-	**8,653**	9,930
Administration	5,506	-	-	**5,506**	7,807
Membership fees	2,262	-	-	**2,262**	1,690
OAN costs	2,000	-	-	**2,000**	2,000
	8,475,144	**-**	**-**	**8,475,144**	7,750,619
Excess (deficiency) of revenues over expenses for the year	(187,714)	3,417	-	**(184,297)**	(89,675)
Fund balances, beginning of year	1,121,253	585,779	20,079	**1,727,111**	1,816,786
Interfund transfers *(note 11)*	38,000	(38,000)	-	**-**	-
Fund balances, end of year	**$ 971,539**	**$ 551,196**	**$ 20,079**	**$ 1,542,814**	$ 1,727,111

See accompanying notes to the financial statements.

REGIONAL HIV/AIDS CONNECTION
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	**$ (184,297)**	$ (89,675)
Items not affecting cash:		
Amortization of capital assets	**682,267**	685,560
Amortization of deferred capital contributions	**(490,658)**	(443,468)
	7,312	152,417
Changes in non-cash working capital:		
Grants and other amounts receivable	**(262,082)**	226,090
HST rebate recoverable	**(27,781)**	532,723
Inventory of supplies	**-**	19,286
Prepaid expenses	**8,063**	(31,395)
Accounts payable and accrued liabilities	**(282,920)**	(101,823)
Deferred income	**(141,739)**	57,113
	(706,459)	701,994
Cash flow from (used by) operating activities	**(699,147)**	854,411
INVESTING ACTIVITY		
Purchase of guaranteed investment certificates	**(6,111)**	(6,473)
FINANCING ACTIVITIES		
Contributions received towards purchase of capital assets	**146,770**	-
Repayment of long term debt	**(43,884)**	(42,537)
Cash flow from (used by) financing activities	**102,886**	(42,537)
INCREASE (DECREASE) IN CASH	**(602,372)**	805,401
Cash - beginning of year	**1,320,153**	514,752
CASH - END OF YEAR	**$ 717,781**	$ 1,320,153

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).

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.

Community Collaboration Fund - fund sponsored by London InterCommunity Health Centre, London Health Sciences Centre, and Health Outreach Mobile Engagement to support community programs.

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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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.

(continues)

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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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 1.75% and 2.25% and maturity dates ranging from June 2026 to December 2026.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Land	$ 105,893	$ -	**$ 105,893**	$ 105,893
Building - 596 Pall Mall Street	1,089,336	781,151	**308,185**	352,069
Building upgrades	635,863	375,344	**260,519**	271,374
Furniture and office equipment	365,292	347,705	**17,587**	21,984
Leasehold improvements	3,290,459	2,051,357	**1,239,102**	1,849,417
Fencing	93,546	21,562	**71,984**	79,982
Computer equipment	211,848	211,710	**138**	308
Computer software	30,316	30,316	**-**	-
Motor vehicles	45,172	34,326	**10,846**	15,494
	$ 5,867,725	$ 3,853,471	**$ 2,014,254**	$ 2,696,521

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.

	2026	2025
Deferred contributions - expenses of future periods		
General fund	**$ 99,195**	$ 215,934
Counterpoint fund - externally restricted	**275,955**	300,955
	$ 375,150	$ 516,889

7. LONG TERM DEBT

	2026	2025
Mortgage on 596 Pall Mall Street, repayable in monthly blended payments of principal and interest of $4,521, bearing interest at 3.122% per annum. Due March 1, 2029. Secured by land and building.	**$ 308,185**	$ 352,069
Amounts payable within one year	**(45,274)**	(43,884)
	$ 262,911	$ 308,185

Principal repayment terms are approximately:

2027	$ 45,274
2028	46,689
2029	216,222
	$ 308,185

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:

	2026	2025
Balance, beginning of year	**$ 1,495,914**	$ 1,939,382
Contributions received during the year	**146,770**	-
Amount amortized to revenue in the year	**(490,658)**	(443,468)
	$ 1,152,026	$ 1,495,914

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:

	2026	2025
CAF Fund		
HIV and Hepatitis C Community Action Fund	**$ 299,375**	$ 299,375
PHAC Sex Worker Initiative for Safety & Health	**91,874**	94,156
Subtotal	**391,249**	393,531
Less: Unspent amounts repayable to funder	**(10,485)**	-
Total revenue recognized in the year	**$ 380,764**	$ 393,531
OODP Fund		
Ontario Ministry of Health funding	**$ 370,217**	$ 355,976

(continues)

9. GOVERNMENT FUNDING *(continued)*

	2026	2025
Counterpoint Fund		
Middlesex London Health Unit - funding received	**$ 473,930**	$ 521,430
Funding utilized from (deferred to) a future year	**25,000**	(20,745)
Total revenue recognized in the year	**$ 498,930**	$ 500,685
OMOH Fund		
Community-based AIDS Education and Support	**$ 1,094,573**	$ 1,052,435
HIV/IDU Outreach Project	**434,381**	417,660
Total revenue recognized in the year	**$ 1,528,954**	$ 1,470,095
John Gordon Home Fund		
Ontario Health (West)	**$ 532,852**	$ 549,569
Ontario Ministry of Health: Housing	**129,338**	130,748
Ontario Ministry of Health Housing one time funding	**256,945**	-
Total revenue recognized in the year	**$ 919,135**	$ 680,317
Carepoint Consumption and Treatment Services Fund		
Ontario Ministry of Health	**$ 1,818,285**	$ 1,818,285
Ontario Health (West)	**236,800**	227,600
Subtotal	**2,055,085**	2,045,885
Less: Unspent amounts repayable to OMOH	**-**	(165,430)
	$ 2,055,085	$ 1,880,455
General Fund		
London Intercommunity Health Centre	**$ 190,000**	$ 190,000
Capital Replacement Reserve Fund		
Annual contribution	**$ 3,417**	$ 3,417
One-time Ontario Ministry of Health contribution	**-**	31,500
Total revenue recognized in the year	**$ 3,417**	$ 34,917

10. ECONOMIC DEPENDENCE

The organization received 78% (2025 - 78%) 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 5% Federal funding, 65% provincial funding, and 8% 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:

2027	$ 170,888
2028	177,517
2029	180,770
2030	184,105
2031	187,523
Thereafter	51,098
	$ 951,901

12. INTERFUND TRANSFERS

During the year, the Board of Directors approved the transfer of $12,000 (2025 - $12,000) from the General Fund to the Contingency Working Capital Fund, a transfer of Nil (2025 - Nil) from the Contingency Working Capital Fund to the General Fund, as well as a transfer of $50,000 (2025 - $50,000) from the COVID-19 Recovery Fund to the General Fund.

13. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments. The following analysis provides information about the company'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 company 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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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 company is not exposed to significant other price risk.

14. CLOSING OF CONSUMPTION AND TREATMENT SERVICES (CAREPOINT)

During the year, the organization received notification from its Funder that funding will be terminated for the Carepoint program effective June 13, 2026. As a result, the program subsequently closed on that date. The organization has incurred and will incur various additional expenses related to the wind down and closing of this program, including staffing costs, professional fees, and possible expenses related to the early termination of a lease (estimated to total $380,000).

Subsequent to year-end, the organization received approval for additional one-time funding of approximately $362,000 that will substantively cover these closing costs, based on the wind down plan submitted by the organization. These expenses, and the offsetting funding approved, will be recognized in the Statement of Operations in the 2026-2027 fiscal year. On-going operation of the various other programs of the organization are not expected to be significantly impacted as a result of the Carepoint closing.

Regional HIV/AIDS Connection
Schedule of Operating Funds
For the Year Ended March 31, 2026

	March 31 2026									*March 31 2025*
	CAF Fund	**OODP Fund**	**Counterpoint Fund**	**OMOH Fund**	**John Gordon Home Fund**	**Carepoint Fund**	**Community Collaboration Fund**	**General Fund**	**Total**	Total
Revenues										
Government funding *(note 9)*	$ 380,764	$ 370,217	$ 498,930	$ 1,528,954	$ 919,135	$ 2,055,085	$ 190,000	$ -	**$ 5,943,085**	$ 5,471,059
Donations			1,098,906					46,899	**1,145,805**	1,037,369
Amortization of deferred capital contributions *(note 8*	7		20,000	399,753	25,387	45,511			**490,658**	443,468
Grants and other service revenue		28,331					191,414	104,919	**324,664**	272,789
Occupancy charges					229,788				**229,788**	232,693
Interest and other					50,001			57,158	**107,159**	91,845
Fundraising and special events								46,271	**46,271**	76,804
	380,771	398,548	1,617,836	1,928,707	1,224,311	2,100,596	381,414	255,247	**8,287,430**	7,626,027
Expenses										
Salaries and benefits	284,883	90,646	288,526	1,222,373	654,265	1,304,362	320,403	115,961	**4,281,419**	4,005,281
Donated materials			1,098,906						**1,098,906**	958,005
Amortization	7		20,000	399,753	76,425	45,511		140,571	**682,267**	685,560
Rent, security and maintenance costs	16,535		8,000	101,650		451,162	12,000	77,578	**666,925**	627,284
Program costs and resource materials	14,592		178,821	54,340	38,943	102,802	15,989	152,333	**557,820**	601,545
Repairs and maintenance					373,353				**373,353**	100,469
Subcontract	48,832	269,910		211				25,294	**344,247**	368,641
Computer maintenance and support	4,850	5,820	5,750	95,757	600		3,000	29,509	**145,286**	103,988
Office	1,779		3,993	10,758	26,620	5,359	1,626	41,430	**91,565**	61,440
Special events								40,082	**40,082**	43,197
Telephone	3,400			11,955	3,448		3,230	7,022	**29,055**	28,506
Professional fees				11,400	4,208	1,000		11,247	**27,855**	26,105
Insurance				2,850	6,450			17,525	**26,825**	21,139
Conference and staff development	690		1,755	4,693	280	2,652	1,000	12,827	**23,897**	34,345
Travel	5,203	2,878	85	2,121	1,270	4,120	1,036	380	**17,093**	17,109
Property taxes					15,522				**15,522**	14,738
Advertising and promotion								14,110	**14,110**	13,010
Interest on long term debt					10,372				**10,372**	11,719
Volunteer development and appreciation				8,846				1,278	**10,124**	7,111
Bank charges and interest								8,653	**8,653**	9,930
Administration (recovery)		29,294	12,000		19,709	183,628	23,130	(262,255)	**5,506**	7,807
Membership fees								2,262	**2,262**	1,690
OAN costs				2,000					**2,000**	2,000
	380,771	398,548	1,617,836	1,928,707	1,231,465	2,100,596	381,414	435,807	**8,475,144**	7,750,619
Excess (deficiency) of revenues over expenses for the year	-	-	-	-	(7,154)	-	-	(180,560)	**(187,714)**	(124,592)
Fund balances, beginning of year	-	26,585	-	-	180,543	-	-	914,125	**1,121,253**	1,207,845
Interfund transfers *(note 12)*	-	-	-	-	-	-	-	38,000	**38,000**	38,000
Fund balances, end of year	**$ -**	**$ 26,585**	**$ -**	**$ -**	**$ 173,389**	**$ -**	**$ -**	**$ 771,565**	**$ 971,539**	$ 1,121,253

See accompanying notes to the financial statements.

Regional HIV/AIDS Connection
Schedule of Restricted Funds
For the Year Ended March 31, 2026

	March 31 2026				*March 31 2025*
	Contingency Working Capital Fund	**Capital Replacement Reserve Fund**	**COVID-19 Recovery Fund**	**Total**	Total
Revenues					
Government funding *(note 9)*	$ -	$ 3,417	$ -	**$ 3,417**	$ 34,917
Interest and other				**-**	-
	-	3,417	-	**3,417**	34,917
Expenses					
Bank charges and interest	-	-	-	**-**	-
Excess of revenues over expenses for the year	-	3,417	-	**3,417**	34,917
Fund balances, beginning of year	140,382	201,183	189,397	**585,779**	588,862
Interfund transfers *(note 12)*	12,000	-	(50,000)	**(38,000)**	(38,000)
Fund balances, end of year	**$ 152,382**	**$ 204,600**	**$ 139,397**	**$ 551,196**	$ 585,779

See accompanying notes to the financial statements.

Regional HIV/AIDS Connection
Schedule of OMOH / Ontario Health West Programs
March 31, 2026

	OODP	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)	$ 370,217	$ 434,381	$ 1,094,573	$ 382,866	$ 536,269	$ 236,800	$ 1,818,285	$ 4,873,391
Less: amounts spent on capital items								-
Less: amounts repaid to OMOH								-
Less: unspent amounts repayable to OMOH								-
	370,217	434,381	1,094,573	382,866	536,269	236,800	1,818,285	4,873,391
Expenses								
Salaries and benefits	90,646	331,754	890,619		536,269	183,801	1,120,561	3,153,650
Rent, security and maintenance costs		27,750	73,900			10,361	440,801	552,812
Subcontract	241,579		211					241,790
Administration	29,294					25,915	157,713	212,922
Program costs and resource materials		35,296	19,044			5,744	97,058	157,142
Computer maintenance and support	5,820	27,642	68,115					101,577
Amortization				43,884				43,884
Conference and staff development		2,635	2,058			500	2,152	7,345
Office		2,600	8,158			5,359		16,117
Professional fees			11,400			1,000		12,400
Property Taxes				15,522				15,522
Interest on long term debt				10,372				10,372
Telephone		6,280	5,675					11,955
Repairs and maintenance				306,638				306,638
Insurance			2,850	6,450				9,300
Volunteer development and appreciation			8,846					8,846
Travel	2,878	424	1,697			4,120		9,119
Advertising and promotion								-
OAN costs			2,000					2,000
Memberships								-
	370,217	434,381	1,094,573	382,866	536,269	236,800	1,818,285	**4,873,391**
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

See accompanying notes to the financial statements.