Punjabi Community Health Services (PCHS)

Financial Statements

March 31, 2026

Punjabi Community Health Services (PCHS)
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Independent Auditors' Report

To the Board of Directors of Punjabi Community Health Services (PCHS)

Qualified Opinion

We have audited the financial statements of Punjabi Community Health Services (PCHS) or ("the Organization"), which comprise the statement of financial position as at March 31, 2026 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter 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 PCHS 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

In common with many not-for-profit organizations, PCHS derives part of its revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our examination of revenue from these sources was limited to verifying the amounts recorded in the records of the organization and we were not able to determine whether any adjustment might be necessary to general contributions, excess of revenue over expenses and changes in financial position. We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

Auditors' 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 auditors' 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.

Independent Auditors' Report (continued)
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 auditors' 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 auditors' 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.

"Jessie Singh" (signed)

Jessie Singh CPA, CA
HDCPA Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by CPA Ontario

Place: Mississauga, Ontario
Date: June 30, 2026

Punjabi Community Health Services (PCHS)

Statement of Financial Position

As At March 31, 2026

	Note	2026	2025
Assets			
Current Assets			
Cash	3.	**$ 2,514,564**	$ 1,608,056
Accounts receivable, net of allowances		**480,971**	550,847
PSB rebate receivable		**165,062**	179,716
Prepaid and other current assets	6.	**73,000**	94,993
Total Current Assets		**3,233,597**	2,433,612
Due from related parties	7.	**394,046**	504,024
Capital assets, net of accumulated amortization	5.	**344,598**	279,747
Total Assets		**$ 3,972,241**	$ 3,217,383
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	12.	**$ 629,004**	$ 554,397
Deferred contribution	8.	**941,146**	566,016
Current portion of deferred rent		**12,663**	12,663
Total Current Liabilities		**1,582,813**	1,133,076
Deferred rent		**30,602**	43,264
Deferred capital contribution	9.	**319,250**	242,761
Total Liabilities		**1,932,665**	1,419,101
Net assets			
Net assets-unrestricted		**2,039,576**	1,798,282
Total Net Assets		**2,039,576**	1,798,282
Total Liabilities and Net Assets		**$ 3,972,241**	$ 3,217,383

Commitments (Note 14)

Approved on Behalf of the Board:

Nitin Sharma ______________________________, ______________________________,

The accompanying notes are an integral part of these financial statements.

Punjabi Community Health Services (PCHS)

Statement of Operations

For the Year Ended March 31, 2026

	Note	2026	2025 (restated)
Revenue			
Revenue	15.	**$11,640,927**	$11,728,116
Expenditures			
Advertising and promotion		**-**	4,194
Amortization of tangible assets	5.	**119,840**	99,116
Computer-related expenses		**186,063**	204,898
Insurance		**38,783**	31,609
Donations	7,11.	**109,978**	164,967
Office expenses		**98,636**	94,603
Loss on disposal of capital assets	5.	**12,698**	-
Professional fees		**89,880**	20,104
Program expenses		**996,378**	977,099
Rental	7,14.	**692,499**	722,625
Repairs and maintenance		**56,227**	87,862
Salaries and wages	7.	**8,515,429**	8,272,797
Sub-contracts		**111,474**	520,025
Training costs		**91,874**	137,538
Travel expenses		**153,358**	143,087
Utilities		**126,516**	133,225
Total expenditures		**11,399,633**	11,613,749
Excess of revenue over expenditures		**$ 241,294**	$ 114,367

The accompanying notes are an integral part of these financial statements.

Punjabi Community Health Services (PCHS)

Statement of Changes in Net Assets

For the Year Ended March 31, 2026

	Note	2026	2025
Net assets at beginning of year, as previously reported		**$ 1,798,282**	$ 1,683,915
Prior period adjustment	11.	**-**	-
Net assets at beginning of year, as restated		**1,798,282**	1,683,915
Excess of revenue over expenditures		**241,294**	114,367
Net assets at end of year		**$ 2,039,576**	$ 1,798,282

The accompanying notes are an integral part of these financial statements.

Punjabi Community Health Services (PCHS)

Statement of Cash Flows

For the Year Ended March 31, 2026

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received for program and general revenue	**$ 12,149,760**	$ 11,408,166
Cash payments for expenditures	**(11,155,839)**	(11,542,376)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	**993,921**	(134,210)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net capital additions	**(197,390)**	(104,164)
Investment in GICs	**-**	529,470
Amounts due from related party	**109,978**	(500,136)
NET CASH USED BY INVESTING ACTIVITIES	**(87,412)**	(74,830)
Net cash increase (decreases) in cash and cash equivalents	**906,509**	(209,040)
Cash and cash equivalents at beginning of year	**1,608,056**	1,817,096
Cash and cash equivalents at end of year	**$ 2,514,565**	$ 1,608,056

The accompanying notes are an integral part of these financial statements.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2026

1. Nature of the Organization

Punjabi Community Health Services (PCHS) is a registered charity with Charities Directorate and is exempt from income tax under the provisions of Paragraph 149(1)(f) of the Income tax Act. The objectives of the organization are as follows:

- To educate and inform the community about health care, family centered care, and substance abuse and related social problems, by providing supportive counselling, educational material, workshops, training sessions and presentations, mentoring programs, psycho-educational programs and other support services.
- To develop programs to educate the public about the culture and traditions of diverse community and the social and health problems.
- To provide education, supportive counselling and other support services for the immigrants in need, including translation services, diversity training and information programs on Canadian life and culture, for their integration with the mainstream Canadian Society.

2. Significant Accounting Policies

a. Basis of accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

b. Cash and cash equivalents

PCHS presents cash-in-hand, bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

c. Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives using following methods and annual rates. When the Organization observes conditions that indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are accounted for as expenses in the statement of operations.

	Method	Rate
Computer equipment	Diminishing balance	30%
Furniture and fixtures	Diminishing balance	20%
Office equipment	Diminishing balance	20%
Leasehold improvements	Straight line	Over the expected lease term

2. Significant Accounting Policies (continued)

d. Revenue recognition

Revenue is derived from the following significant sources:

i. Restricted contributions

Contributions which are restricted for a designated purpose are recognized in the financial statements using the deferral method, whereby contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. These contributions include funding from various government agencies and registered charities.

ii. General contributions

General contributions from public, which are designated for a specific purpose, are recognized in the financial statements as revenue when received.

iii. Administration fees

General administration fees are charged for approximately 5-10% of program funding for all non-recurring programs. PCHS prorates this administration fees based on duration of each such program, and recognizes as administration expense on individual programs and revenue in the general fund.

iv. Contributed materials and services

Volunteers contribute many hours to assist the organization in carrying out its mission. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. The organization is offered rent free space to carry out program activities. The organization chooses not to recognize related rent in the financial statements.

e. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods. Significant financial statement items that require the use of estimates are allocation of common expenses amongst various programs, deferred revenue, deferred capital contribution and useful life of capital assets.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2026

3. Cash and cash equivalents

	2026	2025
General - Operating account	**$ 1,573,418**	$ 1,042,040
Restricted for programs - Operating account	**941,146**	566,016
Total	**$ 2,514,564**	$ 1,608,056

4. Investments

During prior year ended March 31, 2025, PCHS encashed GICs of $529,471 which matured on April 23, 2024. The Board of Directors had placed a restriction on the use of these funds permitting their use only with Board approval and for purposes explicitly authorized by the Board, as per a resolution in effect since December 21, 2016. The matured funds from GICs were used to fulfill a financial obligation on behalf of PCHS Foundation as disclosed in Note 7. as approved by the Board.

5. Capital assets

Capital assets consist of the following:

			2026	2025
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer equipment	**$ 395,784**	**$ (264,119)**	**$ 131,665**	$ 129,197
Furniture and fixtures	**188,671**	**(130,622)**	**58,049**	40,772
Office equipment	**36,626**	**(35,702)**	**924**	10,260
Leasehold improvements	**269,978**	**(116,018)**	**153,960**	99,518
Total	**$ 891,059**	**$ (546,461)**	**$ 344,598**	$ 279,747

During the year, the Organization disposed off various capital assets costing $402,978, with a net book value of $12,698 resulting in a net loss of $12,698 (2025- $Nil).

6. Prepaid and other current assets

	2026	2025
Prepaid rent	**$ 58,337**	$ 69,984
Prepaid program expenses	**1,430**	1,258
Other current assets	**13,233**	23,751
Total	**$ 73,000**	$ 94,993

Other current assets include gift cards amounting to $Nil (2025- $11,200) on hand as of the reporting date, and are restricted for use in certain programs.

7. Related party transactions

PCHS has paid gross salaries in the amount of $176,210 (2025- $163,013) and travel expense in the amount of $1,870 (2025- $1,599) to the CEO during the year.

PCHS paid travel reimbursement of $Nil (2025- $733) to the former CEO. PCHS has engaged former CEO's corporation for consulting services amounting to $Nil (2025- $84,040) during the year. Balance outstanding at prior year end of $15,290 were paid to the former CEO during the year.

Rent in the amount of $116,400 (2025- $116,400) was paid to a company owned jointly by the former and current CEOs. The property was financed in part through their personal lines of credit, and rental income is used to pay down those lines. It is the intention of PCHS's management and the Board that once the personal lines of credit are fully paid, the property will be contributed to PCHS without additional consideration, and there will be no financial or material benefit conferred upon the former and the current CEOs from this property or any transactions related thereto.

During the year, the related company donated $85,000 (2025- $Nil) to PCHS. The amount remained unspent and is included in restricted donations as disclosed in Note 8.

During the year ended March 31, 2019, PCHS Foundation, a registered charity which PCHS has economic interest in, was engaged to carry out certain events and programs. No such programs were assigned to PCHS Foundation for the current year or the previous year. On July 3, 2024, PCHS provided an interest free loan amounting to $665,103 to PCHS Foundation. A promissory note was signed with the PCHS Foundation, whereunder a property is held as collateral and security in consideration of this promissory note. Of the total loan amount, $109,978 (2025- $164,697) was contributed by the municipal government. Repayment will follow terms mutually agreed upon by the Boards of Directors of both PCHS and the PCHS Foundation.

As of the reporting date, PCHS Foundation owes PCHS $394,046 (2025- $504,024), being the total amount of loan as reduced by the contributions from municipal government. Management records the amount as long term as it does not expect repayment in the upcoming year.

All these transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed upon by the parties and is determined based on the costs incurred.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2026

8. Deferred contribution

Deferred contributions represent unspent resources externally restricted for program expenses related to subsequent periods. These contributions include government funds or grants received but not spent at reporting date, from following sources:

	2026	2025
Federal	**$ 12,320**	$ 62,552
Provincial	**197,915**	188,529
Regional	**353,288**	256,985
Other registered charities	**207,335**	57,950
Restricted donations	**170,288**	-
Total	**$ 941,146**	$ 566,016

Contributions recognized as revenue are included in respective program categories in the statement of operations. Restricted cash for programs is grouped with cash in the statement of financial position.

9. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of government grants received for the purchase of capital assets. Amortization of deferred capital contributions is recorded in program revenue on the statement of operations.

	2026	2025
Balance at beginning of the year	**$ 242,761**	$ 262,841
Contributed capital assets	**193,233**	75,747
Amounts amortized to revenue	**(109,943)**	(95,827)
Write-downs	**(6,801)**	-
Total	**$ 319,250**	$ 242,761

10. Financial instruments

The Organization's financial instruments consist of cash, funding receivable, accounts payable and accrued liabilities, and are accounted for in accordance with Section 3856 of the CPA Canada Handbook. The carrying value of these financial instruments approximates their fair value due to their short-term duration.

It is management's opinion that the organization is not exposed to significant interest, currency, credit or market risks arising from these financial instruments.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2026

11. Prior period adjustment

PCHS discovered that certain revenues and expenditures were not recorded correctly in prior year financial statements. These comprise of funding received from municipal government applied against the loan due from PCHS Foundation. Due to this, revenues and expenditures were understated by $164,967. PCHS has corrected this error in these financial statements. As a result, revenues and expenditures appearing in the 2025 financial statements have been increased by $164,967. There is no effect on net assets at March 31, 2025 or other items presented in the financial statements for the year ended March 31, 2025. Current year revenue and expenditures amount to $109,978 which relate to funding received and realized during the year.

12. Government remittances payable

Government remittances consist of payroll taxes required to be paid to government authorities and are recognized when the amounts become due. PCHS remits payroll taxes to payroll service provider together with net salaries for each payperiod. The payroll service provider remits the payroll taxes to tax authorities before the due date. At March 31, 2026, PCHS had $Nil (2025- $Nil) outstanding with the payroll service provider for remittance to the tax authorities.

13. Economic interest in another not-for-profit organization

PCHS is a corporate member of another registered charity (PCHS Foundation) which was formed for the sole purpose of receiving and maintaining a fund or funds and to apply all or part of the principal and income, from time to time, for the benefit of the PCHS. Any property remaining on dissolution or liquidation of the Foundation, after discharge of liabilities, shall also be distributed to PCHS.

14. Commitments

The organization entered into a lease agreement with related parties, with an initial term of 5 years starting on August 1, 2012, expiring on July 31, 2027. There are other lease agreements in place with unrelated parties for the organization’s office premises in Brampton and Scarborough. Minimum rent payable under these leases exclusive of taxes and other occupancy charges, in the next five years and thereafter is as follows:

2026-27	$	561,636
2027-28		493,369
2028-29		440,270
2029-30		196,850
Thereafter		114,700
Total	**$**	**1,806,825**

Rent expense for March 31, 2026 amounted to $ 692,499.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2026

15. Revenue

Revenue comprises of the following:.

	2026	2025
Addiction Services (WOHS)	**$ 188,958**	$ 189,074
Behavioural Support Ontario (Ontario Health Central)	**102,901**	102,901
Caregiver Support Program (Ontario Health Central)	**625,008**	624,753
Case Management - Addiction (Ontario Health Central)	**468,587**	452,819
Case Management - Mental Health (Ontario Health Central)	**912,460**	927,385
Community Treatment – Substance Abuse (Ontario Health Central)	**657,604**	632,227
Crisis Services (CMHA PD)	**554,495**	605,259
Early Psychosis Intervention (Ontario Health Central)	**109,911**	105,610
General fund revenue	**275,585**	263,484
High Priorities Community Strategy (Ontario Health Central)	**325,450**	636,596
Immigration, Refugees and Citizenship Canada (IRCC)	**2,933,224**	2,871,184
Information & Referral Service (Ontario Health Central)	**83,664**	80,490
Integrated Seniors Team (SHIP)	**85,890**	85,890
Ministry of Attorney General	**104,750**	99,280
Ministry of Labour, Immigration, Training and Skills Development	**70,030**	70,040
Ontario Structured Psychotherapy Program (CarePoint Health)	**351,019**	322,510
Peer Support Program (Ontario Health Central)	**347,491**	344,609
Peer Support Program Coordinator (Ontario Health Central)	**29,726**	28,580
Region of Peel	**1,076,753**	1,136,575
Registered Practical Nurse (Ontario Health Central)	**73,824**	71,011
Respite Program (Ontario Health Central)	**958,021**	891,966
United Way Greater Toronto	**280,384**	178,108
Withdrawal Management Addiction Program (Ontario Health Central)	**223,162**	213,747
Meals Delivery (Ontario Health Central).	**108,217**	97,949
Other programs	**693,813**	696,069
Total revenue	**$ 11,640,927**	$ 11,728,116

16. Allocation of common costs

Certain common expenses (such as rent, utilities, salaries) are allocated to individual programs and to the general fund based on management estimates of actual usage and/or benefit derived by those programs. These allocations are normally budgeted for and approved by the respective funders at the beginning of the program, and actual expense allocations are in accordance with the budget approvals.

The services of the Director of Finance are mainly related to accounting and reporting of programs funded by Ontario Health (OH) Central Region, Immigration, Refugees and Citizenship Canada (IRCC) and Region of Peel (ROP). Other programs are relatively smaller and do not require their expertise for reporting. Therefore, Director of Finance’s compensation is allocated mostly to core programs funded by OH, IRCC and ROP. The compensation paid to CEO is charged to specific programs as they deliver those program activities. Some of the administrative duties performed by CEO are their in-kind contribution towards PCHS which are not recognized in the financial statements.

17. Capital disclosures

PCHS defines capital as its net assets. The objective of PCHS when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to provide sufficient funding for its mission.

PCHS maintains sufficient liquidity to meet its obligations as they become due. The organization does not carry long-term debt and is not subject to any externally imposed capital requirements.

18. Comparative information

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