

Punjabi Community Health Services (PCHS)

Financial Statements

March 31, 2025

Punjabi Community Health Services (PCHS)

March 31, 2025

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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, 2025 and the 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, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

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



Independent Auditors' Report (continued)

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 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.

Harpreet Dhawan

Harpreet Dhawan CPA, CA, LPA
HDCPA Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by CPA Ontario

Place: Mississauga
Date: June 30, 2025

Punjabi Community Health Services (PCHS)

Statement of Financial Position

As At March 31, 2025

	Note	2025	2024
Assets			
Current Assets			
Cash	3.	\$ 1,608,056	\$ 1,817,096
Current portion of long term investments	4.	-	529,471
Accounts receivable, net of allowances		550,847	468,831
Taxes recoverable/refundable	11.	179,716	175,283
Prepaid and other current assets	6.	94,993	174,397
Total Current Assets		2,433,612	3,165,078
Due from related parties	7.	504,024	3,888
Capital assets, net of accumulated amortization	5.	279,747	274,698
Total Assets		\$ 3,217,383	\$ 3,443,664
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	11.	\$ 554,397	\$ 657,111
Deferred contribution	8.	566,016	835,789
Current portion of deferred rent		12,663	4,008
Total Current Liabilities		1,133,076	1,496,908
Deferred rent		43,264	-
Deferred capital contribution	9.	242,761	262,841
Total Liabilities		1,419,101	1,759,749
Net assets			
Net assets-unrestricted		1,798,282	1,683,915
Total Net Assets		1,798,282	1,683,915
Total Liabilities and Net Assets		\$ 3,217,383	\$ 3,443,664

Commitments (Note 15)

Approved on Behalf of the Board:





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, 2025

	Note	2025	2024
Revenue			
Revenue	12.	\$11,563,149	\$11,780,089
Expenditures			
Advertising and promotion		4,194	414
Amortization of tangible assets		99,116	104,977
Computer-related expenses		204,898	174,116
Insurance		31,609	31,365
Donations	13.	-	151,943
Office expenses		94,603	122,166
Other operating expenses		-	2,263
Professional fees		20,104	47,745
Program expenses		977,099	1,427,152
Rental	15.	722,625	554,656
Repairs and maintenance		87,862	100,296
Salaries and wages		8,272,797	7,936,212
Sub-contracts		520,025	672,459
Training costs		137,538	91,693
Travel expenses		143,087	142,614
Utilities		133,225	129,976
Total expenditures		11,448,782	11,690,047
Excess of revenue over expenditures		\$ 114,367	\$ 90,042

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, 2025

	2025	2024
Net assets - beginning of the year	\$ 1,683,915	\$ 1,593,873
Excess of revenue over expenditures	114,367	90,042
Net assets - end of the year	\$ 1,798,282	\$ 1,683,915

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, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received for program and general revenue	\$ 11,243,199	\$ 11,483,979
Cash payments for expenditures	(11,377,409)	(11,515,580)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(134,210)	(31,601)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net capital additions	(104,165)	3,260
Investment in GICs	529,471	(13,077)
Amounts due from related party	(500,136)	3,612
NET CASH USED BY INVESTING ACTIVITIES	(74,830)	(6,205)
Net cash increase (decreases) in cash and cash equivalents	(209,040)	(37,806)
Cash and cash equivalents at beginning of period	1,817,096	1,854,902
Cash and cash equivalents at end of period	\$ 1,608,056	\$ 1,817,096

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, 2025

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

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2025

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, 2025

3. Cash and cash equivalents

	2025	2024
General - Operating account	\$ 1,042,040	\$ 981,307
Restricted for programs - Operating account	566,016	835,789
Total	\$ 1,608,056	\$ 1,817,096

4. Investments

At March 31, 2024, PCHS held GICs totaling \$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. During the year, the matured funds were used to fulfill a financial obligation on behalf of PCHS Foundation as disclosed in Note 7..

5. Capital assets

Capital assets consist of the following:

			2025	2024
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer equipment	\$ 347,282	\$ (218,085)	\$ 129,197	\$ 184,568
Furniture and fixtures	176,414	(135,642)	40,772	50,966
Office equipment	91,802	(81,543)	10,259	13,875
Leasehold improvements	678,539	(579,021)	99,518	25,288
Total	\$ 1,294,037	\$ (1,014,291)	\$ 279,746	\$ 274,697

6. Prepaid and other current assets

	2025	2024
Prepaid rent	\$ 69,984	\$ 84,030
Prepaid program expenses	1,258	26,168
Other current assets	23,751	64,199
Total	\$ 94,993	\$ 174,397

Other current assets include gift cards amounting to \$11,200 (2023- \$50,060) on hand as of the reporting date, and are restricted for use in certain programs.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2025

7. Related party transactions

PCHS has paid salaries in the amount of \$163,013 (2024- \$200,267) and travel expense in the amount of \$1,599 (2024- \$1,728) to the CEO during the year.

PCHS has paid salary of \$Nil (2024 - \$34,461) and travel reimbursement of \$Nil (2024- \$733) to the former CEO. PCHS has engaged former CEO's corporation for consulting services amounting to \$84,040 (2024- \$43,750) during the year, out of which \$15,290 (2024- \$18,750) were outstanding as of the year end.

Rent in the amount of \$116,400 (2024- \$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 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. During the year, PCHS paid \$Nil (2024- \$3,888) for professional fee and dues on behalf of the Foundation. On July 3, 2024, PCHS entered into a promissory note agreement with the PCHS Foundation, providing financial support in the amount of \$665,103. Of the total amount, \$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 \$504,024 (2024- \$3,888). 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.

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.

	2025	2024
High Priorities Project	\$ 4,362	\$ 106,033
Immigration, Refugees and Citizenship Canada	50,233	108,712
Mobile Care Rapid Response Team	1,829	54,743
Peel Community Cycling Program	12,269	33,753
Peer Support	51,922	51,922
Region of Peel (Core funding)	244,717	364,404
Other programs	200,684	116,222
Total	\$ 566,016	\$ 835,789

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2025

8. Deferred contribution (continued)

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.

	2025	2024
Balance at beginning of the year	\$ 262,841	\$ 366,873
Contributed capital assets	75,747	147,144
Amounts amortized to revenue	(95,827)	(251,176)
Total	\$ 242,761	\$ 262,841

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.

11. Government remittances payable

Government remittances consist of amounts (such as property taxes, sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$Nil (2024 - \$Nil) is included within accounts payable and accrued liabilities.

12. Revenue

Revenue comprises of the following:.

	2025	2024
Addiction Services (WOHS)	\$ 189,074	\$ 193,230
Behavioural Support Ontario (Ontario Health Central)	102,901	98,840
Caregiver Support Program (Ontario Health Central)	624,753	624,329
Case Management - Addiction (Ontario Health Central)	452,819	473,858

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2025

12. Revenue (continued)

	2025	2024
Case Management - Mental Health (Ontario Health Central)	927,385	927,828
Community Treatment – Substance Abuse (Ontario Health Central)	632,227	632,730
Crisis Services (CMHA PD)	605,259	594,505
Early Psychosis Intervention (Ontario Health Central)	105,610	105,809
General fund revenue	263,484	311,835
High Priorities Community Strategy (Ontario Health Central)	636,596	915,269
Immigration, Refugees and Citizenship Canada (IRCC)	2,871,184	2,711,120
Information & Referral Service (Ontario Health Central)	80,490	81,158
Integrated Seniors Team (SHIP)	85,890	82,596
Ministry of Attorney General	99,280	97,500
Ministry of Children, Community and Social Services	283,418	244,440
Ministry of Labour, Immigration, Training and Skills Development	70,040	70,228
Ontario Structured Psychotherapy Program (CarePoint Health)	322,510	218,105
Peer Support Program (Ontario Health Central)	344,609	351,592
Peer Support Program Coordinator (Ontario Health Central)	28,580	28,580
Region of Peel	971,608	980,613
Registered Practical Nurse (Ontario Health Central)	71,011	71,380
Respite Program (Ontario Health Central)	891,966	860,604
United Way Greater Toronto	178,108	257,847
Withdrawal Management Addiction Program (Ontario Health Central)	213,747	216,264
Meals Delivery (Ontario Health Central).	97,949	97,949
Other programs	412,651	531,880
	\$11,563,149	\$11,780,089

13. Donations

During the year ended March 31, 2024, PCHS donated old computer equipment having a net book value of \$151,943 to another not-for profit organization. The donation is recorded in the statement of income at the carrying value of the donated items. Fair market value approximate carrying value of such items at the time of donation due to their obsolescence. No such transaction occurred during the year.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2025

14. 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.

15. 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:

2025-26	\$ 597,025
2026-27	561,636
2027-28	493,369
2028-29	440,270
2029-30	196,850
Thereafter	114,700
Total	\$ 2,403,850

Rent expense for March 31, 2025 amounted to \$ 722,625.

16. 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.

Punjabi Community Health Services (PCHS)

Notes to the Financial Statements

For the Year Ended March 31, 2025

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.