Punjabi Community Health Services Calgary Society

Financial Statements

December 31, 2025

To the Directors of Punjabi Community Health Services Calgary Society:

Opinion

We have audited the financial statements of Punjabi Community Health Services Calgary Society (the "Society"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 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 Opinion

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 Society 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 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

MNP LLP

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society’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 Society’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 Society 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.

Calgary, Alberta

June 19, 2026

MNP LLP

Chartered Professional Accountants

Punjabi Community Health Services Calgary Society
Statement of Financial Position
As at December 31, 2025

	2025	2024
Assets		
Current		
Cash	**272,750**	557,706
Accounts receivable	**91**	2,653
Short-term investment *(Note 3)*	**368,801**	357,690
Prepaid expenses	**1,747**	3,514
Goods and Services Tax receivable	**14,221**	5,956
	657,610	927,519
Long-term investment *(Note 4)*	**-**	2,226
Security deposit	**9,407**	3,690
	667,017	933,435
Liabilities		
Current		
Accounts payable and accrued liabilities	**89,887**	94,963
Deferred contributions related to operations *(Note 5)*	**216,899**	590,258
Current portion of lease inducement *(Note 6)*	**6,285**	-
	313,071	685,221
Lease inducement *(Note 6)*	**15,970**	-
	329,041	685,221
Commitments *(Note 9)*		
Net Assets	**337,976**	248,214
	667,017	933,435

Approved on behalf of the Board of Directors

H. Sidhu

Member

Member

The accompanying notes are an integral part of these financial statements

Punjabi Community Health Services Calgary Society

Statement of Operations and Changes in Net Assets

For the year ended December 31, 2025

	2025	*2024*
Revenue		
Grants *(Note 7)*	**1,361,601**	1,176,511
Donations	**142,656**	81,573
Fundraising	**94,510**	67,845
Other	**16,575**	19,595
	1,615,342	1,345,524
Expenses		
Salaries and wages	**1,150,103**	974,711
Fundraising expenses	**88,551**	68,852
Professional services and honorariums	**52,845**	101,393
Rent	**49,786**	42,171
Professional fees	**42,726**	34,106
Case management software license	**37,631**	32,634
Office	**49,858**	21,426
Telephone and utilities	**25,209**	13,758
Supplies	**6,892**	5,397
Travel	**14,803**	7,984
Insurance	**5,824**	2,842
Bank charges and interest	**1,353**	944
Bad debts	**-**	413
Fund development	**-**	5,832
	1,525,581	1,312,463
Excess of revenue over expenses	**89,761**	33,061
Net assets, beginning of year	**248,215**	215,153
Net assets, end of year	**337,976**	248,214

The accompanying notes are an integral part of these financial statements

Punjabi Community Health Services Calgary Society
Statement of Cash Flows
For the year ended December 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**89,761**	33,061
Advance of lease indecement	**22,255**	-
	112,016	33,061
Changes in working capital accounts		
Accounts receivable	**2,562**	55,535
Prepaid expenses	**1,767**	1,194
Goods and Service Tax receivable	**(8,265)**	(1,648)
Security deposit	**(5,717)**	3,825
Accounts payable and accrued liabilities	**(5,075)**	33,736
Deferred contributions related to operations	**(373,359)**	173,271
	(276,071)	298,974
Investing		
Purchase of short term investment	**(366,575)**	(357,690)
Proceeds on disposal of short term investment	**357,690**	347,372
Purchase of long-term investment	**-**	(2,226)
Proceeds on disposal of long-term investment	**-**	2,000
	(8,885)	(10,544)
(Deficiency) increase in cash resources	**(284,956)**	288,430
Cash resources, beginning of year	**557,706**	269,276
Cash resources, end of year	**272,750**	557,706

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Punjabi Community Health Services Calgary Society (the “Society”) is a not-for-profit organization incorporated on June 27, 2014 under the Societies Act of Alberta as a registered charity and thus is exempt from income taxes under section 149(1)(I) of the Income Tax Act.

The Society operates to provide supportive counselling to South Asian community members and their families, through assisting them to find effective solutions within their own culture context; helping them identify and navigate access to appropriate community resources; and providing clients ongoing support post treatments or professional counselling sessions.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Goods and Services Tax

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributed materials

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Society's operations and would otherwise have been purchased.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Society’s performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments. In determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Measurement uncertainty

The preparation of financial statements in conformity 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accrued liabilities relating to expenses and determination of timing of recognition of revenues from deferred contributions are considered through management oversight.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the period in which they become known.

Customer's accounting for cloud computing arrangement

The Society has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Society recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of $4,673 (2024 - $3,718) have been recognized as case management software license expense in the statement of operations.

3. Short-term investment

Short-term investments consist of three (2024 - two) redeemable Guaranteed Investment Certificates ("GICs") bearing interest at a rate of 2.15% and 3.35% per annum (2024 - 3.35% per annum) with maturity dates of April 2026 and May 2026.

4. Long-term investment

Long-term investments consist of nil (2024 - one non-redeemable GIC bearing interest at a rate of 3.35% per annum with a maturity date of April 2026).

5. Deferred contributions related to operations

Deferred contributions consist of unspent contributions externally restricted for various programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2025	*2024*
Balance, beginning of year	**590,258**	416,987
Funds received during the year	**988,242**	1,357,283
Utilizations	**(1,361,601)**	(1,184,012)
Balance, end of year	**216,899**	590,258

6. Lease inducement

During the year, the Society signed a lease for the head office, and the lease agreement included certain lease inducements as part of its operating lease agreement for the premises it occupies. The inducements are deferred and netted against rent expense on a straight-line basis over the life of the lease. The inducement commenced on August 1, 2025 and expires on August 31, 2030.

	2025	*2024*
Lease inducement received during the year	**27,535**	-
Amount amortized in the year	**(5,280)**	-
	22,255	-
Less: current portion	**(6,285)**	-
	15,970	-

7. Grant revenue

During the year, the Society recognized grant revenue from the following sources:

	2025	*2024*
Province of Alberta	**611,383**	484,529
City of Calgary	**361,698**	439,930
Government of Canada	**260,281**	231,982
Other	**128,239**	20,070
	1,361,601	1,176,511

8. Administrative expenses

Of the total expenses, the Society's administative expenses are 3.73% (2024 - 3.50%). Administrative expenses include rent, insurance and interest and bank charges.

9. Commitments

During the year, the Society entered a new lease agreement for their new premises commencing September 1, 2025. Estimated minimum future annual payments are as follows:

2026	49,858
2027	51,482
2028	53,146
2029	54,852
2030	37,734
	247,072

10. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its short-term and long-term investments with fixed interest rates.

Liquidity risk

Liquidity risk is the risk the company may not be able to meet its obligations. The Society is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources and accounts payable.

Unless otherwise noted, it is the management's opinion that the Society is not exposed to significant other risks arising from these financial instruments.