

PIH PARTNERS IN HEALTH CANADA

Financial Statements

June 30, 2025

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D C Tinkham FCPA FCA CMC LPA
P J Brocklesby CPA CA LPA
M Y Tkachenko CPA CA
M W G Rooke CPA CA LPA
A C Callas CPA CA LPA
G P Kroeplin CPA
H S Grewal CPA
N R Shishis CPA

300 - 2842 Bloor Street West
Toronto Ontario M8X 1B1
Canada

TEL 1 416 233 2139
FAX 1 416 233 1788

TINKHAMCPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
PIH Partners In Health Canada

Opinion

We have audited the financial statements of PIH Partners In Health Canada ("the Organization") which comprise the statement of financial position as at June 30, 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 Organization as at June 30, 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 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 basis for our opinion.

Other Matter

The financial statements for the year ended June 30, 2024 were audited by another firm of Chartered Professional Accountants who expressed an unqualified opinion on those financial statements on November 25, 2024.

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

TORONTO, Ontario
November 8, 2025


Licensed Public Accountants

PIH PARTNERS IN HEALTH CANADA

Statement of Financial Position

As at June 30	2025	2024
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(note 9)

Assets

Current

Cash and cash equivalents	\$ 1,204,740	\$ 2,110,683
Due from related organization (note 6)	57,339	49,794
Public service bodies' rebate	1,279	5,458
Prepaid expenses	8,235	7,749

	\$ 1,271,593	\$ 2,173,684
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Liabilities

Current

Accounts payable and accrued liabilities	\$ 78,666	\$ 46,603
Deferred contributions (note 3)	2,325	814,550

	80,991	861,153
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Net Assets

Unrestricted	1,190,602	1,312,531
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	\$ 1,271,593	\$ 2,173,684
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Commitments Note 7

On behalf of the Board of Directors:



Director



Director

See accompanying notes to the financial statements.

PIH PARTNERS IN HEALTH CANADA**Statement of Operations and Changes in Net Assets**

Year ended June 30	2025	2024
		(note 9)
Revenue		
Donations - Individuals and family foundations	\$ 2,512,353	\$ 2,824,542
- Institutional foundations and corporations	1,267,502	1,008,513
Government funding - Global Affairs Canada (note 4)	1,481,435	2,498,397
	5,261,290	6,331,452
Expenses (note 5)		
Program grants (note 6)	4,313,117	5,331,066
Development	760,997	686,838
Administration	263,327	189,526
Education	45,778	33,731
	5,383,219	6,241,161
Excess (deficiency) of revenue over expenses for the year	(121,929)	90,291
Net assets, beginning of year	1,312,531	1,222,240
Net assets, end of year	\$ 1,190,602	\$ 1,312,531

PIH PARTNERS IN HEALTH CANADA**Statement of Cash Flows**

Year ended June 30	2025	2024
		(note 9)
Cash provided (used) by operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (121,929)	\$ 90,291
Changes in non-cash working capital balances		
Due from related organization	(7,545)	(49,794)
Public service bodies' rebate	4,179	16,778
Prepaid expenses	(486)	(2,508)
Accounts payable and accrued liabilities	32,062	27,944
Deferred contributions	(812,224)	231,980
Net cash provided (used) by operating activities	(905,943)	314,691
Cash provided by investing activities		
Guaranteed investment certificate redeemed	-	712,100
Increase (decrease) in cash	(905,943)	1,026,791
Cash, beginning of year	2,110,683	1,083,892
Cash, end of year	\$ 1,204,740	\$ 2,110,683

PIH PARTNERS IN HEALTH CANADA

Notes to Financial Statements

June 30, 2025

1 Organization

PIH Partners In Health Canada ("the Organization") is a not-for-profit organization incorporated on June 29, 2010 under the Canada Not-for-profit Corporations Act. It is registered as a charitable organization under the provisions of the Income Tax Act (Canada) and is exempt from income taxes.

The Organization works to improve the health of poor and marginalized communities. It is dedicated to making lifesaving health care both a right and a reality and is committed to long-term change through a lense of social justice and solidarity with patients and communities it serves around the world.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

(i) Contributions

The Organization follows the deferral method of accounting for contributions, which includes project grants and donations. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recorded when received.

(ii) Interest income

Interest income is recognized as revenue when earned.

(b) Cash and cash equivalents

Cash equivalents includes cash on deposit with a financial institution.

Included in cash is \$810,326 (2024 - \$1,133,251) held in a money market account earning interest at 2.55% (2024 - 4.55%).

(c) Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the related transaction dates. Monetary assets denominated in foreign currencies are translated at the exchange rate in effect at the statement of financial position date. Gains or losses arising from the translation of foreign currencies are included in the statement of operations.

(d) Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

(e) Allocation of expenses

Management makes estimates to allocate certain expenses among program expenses, development, administration, and education according to the activity which they benefit. The basis of allocation is assessed periodically and may be revised according to circumstances prevailing from time to time.

(f) Management 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Significant estimates include collectibility of amounts due from related organizations and the allocation of expenses to different funded programs. Actual results could differ from these estimates. All estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

PIH PARTNERS IN HEALTH CANADA

Notes to Financial Statements

June 30, 2025

3 Deferred contributions

Year ended June 30	2025	2024
Deferred contributions, beginning of year	\$ 814,550	\$ 582,570
Received	3,024,577	5,102,234
Amortized to revenue	(1,481,435)	(2,498,397)
- Global Affairs Canada (note 4)		
- Annual giving	(72,106)	(7,589)
- Major gifts	(1,070,765)	(1,419,925)
- Institutional foundations and corporations	(1,212,496)	(944,343)
Deferred contributions, end of year	\$ 2,325	\$ 814,550

4 Global Affairs Canada funding

The following is a continuity of Global Affairs Canada funds transferred by the Organization to the implementing partners.

Year ended June 30	2025	2024
Balance, beginning of year	\$ 793,148	\$ 226,765
Cash received during the year	688,287	3,033,462
Cash disbursed to projects during the year	(1,481,435)	(2,467,079)
Deferred contributions, end of year	\$ -	\$ 793,148

5 Allocation of expenses

Certain general and administrative expenses, including salaries and benefits, office and general, and occupancy costs are allocated by management using their best estimate, based on time for labour and usage, to the activities which they benefit. Directly attributable and allocated expenses are as follows:

Year ended June 30	2025				
	Program (note 6)	Development	Administration	Education	Total
Program grants	\$ 3,828,115	\$ -	\$ -	\$ -	\$ 3,828,115
Salaries and benefits	443,682	542,137	146,718	39,570	1,172,107
Office and general	1,722	139,971	35,533	1,454	178,680
Professional fees	480	42,595	58,160	-	101,235
Occupancy costs	22,151	25,026	6,329	3,164	56,670
Travel	16,967	11,268	16,587	1,590	46,412
Total expenses	\$ 4,313,117	\$ 760,997	\$ 263,327	\$ 45,778	\$ 5,383,219

PIH PARTNERS IN HEALTH CANADA

Notes to Financial Statements

June 30, 2025

5 Allocation of expenses (continued)

Year ended June 30					2024
	Program (note 6)	Development	Administration	Education	Total
Program grants	\$ 4,866,776	\$ -	\$ -	\$ -	\$ 4,866,776
Salaries and benefits	422,991	562,937	122,593	29,695	1,138,216
Professional fees	-	82,256	6,807	-	89,063
Office and general	7,843	16,663	37,266	588	62,360
Occupancy costs	24,134	22,985	6,895	3,448	57,462
Travel	9,322	1,997	15,965	-	27,284
Total expenses	\$ 5,331,066	\$ 686,838	\$ 189,526	\$ 33,731	\$ 6,241,161

6 Related party transactions and balances

The Organization is controlled by Partners In Health (PIH), a U.S.-based non-profit corporation, which is the sole member of the Organization.

Under the terms of agency agreements and various memorandums of understanding, the Organization transferred a total of \$2,555,912 (2024 - \$2,974,150) directly to PIH care delivery sites in Lesotho, Liberia, Malawi, Peru, Rwanda, and Sierra Leone to support specific programming activities. An additional \$1,272,203 (2024 - \$1,892,626) was transferred directly to the PIH organization in Haiti (Zanmi Lasante) for similar purposes. These amounts are included in program grants on the statement of operations.

In addition, the Organization processes and is reimbursed certain salary costs from PIH. The Organization does not receive any remuneration for providing these services. The salary costs, and reimbursement from PIH, are not recorded in the financial statements. As at June 30, 2025, the amount due from PIH on account of reimbursable salary costs was \$57,339 (2024 - \$49,794). Amounts are non-interest bearing, unsecured, and due on demand.

Transactions with PIH are in the normal course of operations, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due from the related parties were measured at cost, determined using their undiscounted cash flows. No differences resulted from these transactions.

7 Commitments

The Organization has entered into an operating lease for office space that expires August 31, 2027. The aggregate minimum annual lease payments for the next three years, including additional rent and excluding HST, are as follows:

2026	\$	53,185
2027	\$	53,185
2028	\$	8,864

PIH PARTNERS IN HEALTH CANADA

Notes to Financial Statements

June 30, 2025

8 Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposures and concentrations.

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 through its cash and amounts due from related organizations.

Credit risk associated with cash is minimized by ensuring that these assets are held on deposit with a major financial institution. Cash is held at one financial institution, and funds on deposit exceed the maximum amount insured.

Amounts due from related organizations are unsecured.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization meets its liquidity requirements and mitigates this risk by monitoring cash activities and expected outflows and holding assets that can be readily converted into cash, so as to meet all cash outflow obligations as they come due.

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 is comprised of currency risk, interest rate risk, and other price risk. The Organization is not exposed to other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization has \$120,556 in cash denominated in USD at June 30, 2025 (2024 - \$123,687). The Organization has not entered into any hedging instruments to mitigate its exposure to foreign currency risk.

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 is subject to interest rate risk on cash equivalents.

The Organization's cash equivalents earns interest at market rates. The Organization manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuation in market rates of interest on cash do not have a significant impact on the Organization's results of operations.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

9 Comparative figures

The 2024 comparative figures were audited by another firm of Chartered Professional Accountants.

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year. There were no changes to total assets, liabilities, net assets, excess of revenues over expenses for the year or cash flows as a result of these reclassifications.