

**PORCHLIGHT COUNSELLING AND  
ADDICTION SERVICES**

**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**



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**MARCH 31, 2025**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Directors of  
**Porchlight Counselling and Addiction Services**

### **Qualified Opinion**

We have audited the accompanying financial statements of **Porchlight Counselling and Addiction Services** (the Organization), which comprise the statement of financial position as at March 31, 2025, 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 effects 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 the Organization as at March 31, 2025, and its financial performance 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 similar organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to excess (deficiency) of revenue over expenses, assets and net assets.

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 qualified 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 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 the Board of Directors 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. 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.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario  
August 27, 2025

Chartered Professional Accountants, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario



**STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2025**

	2025	2024 (Restated note 12)
	\$	\$
<b>Revenue</b>		
Government and related services (note 6)	1,263,934	952,503
Grants	893,737	1,212,350
Donations and fundraising	119,410	108,815
Client fees	67,049	75,434
Housing rental income and related activities	141,866	121,455
YWCA	27,378	
CEBA loan forgiveness		20,000
	<b>2,513,374</b>	<b>2,490,557</b>
<b>Operating expenses</b>		
Salaries and benefits	1,934,465	1,674,898
Rent, utilities and property taxes	182,406	93,304
Repairs and maintenance	38,293	17,977
Insurance	11,403	11,575
Memberships and subscriptions	34,483	26,811
Program Expenses	220,104	142,728
Computer and office equipment	16,125	8,507
Advertising and promotion	9,594	8,901
Interest and bank charges	4,576	3,536
Professional fees	40,310	26,890
Subcontract	13,638	47,295
Professional development	15,361	13,976
Transportation	11,763	8,516
Honorarium	3,150	6,600
Amortization	31,578	7,792
	<b>2,567,249</b>	<b>2,099,306</b>
<b>Excess (deficiency) of revenue over expenses before other income</b>	<b>( 53,875)</b>	<b>391,251</b>
<b>Other income</b>		
Interest	34,085	45,731
<b>Excess (deficiency) of revenue over expenses for year</b>	<b>( 19,790)</b>	<b>436,982</b>



The explanatory financial notes form an integral part of these financial statements.



**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2025**

	2025	2024 (Restated note 12)
	\$	\$
Balance, beginning of year as restated (note 12)	1,988,400	1,551,418
Excess (deficiency) of revenue over expenses for year	( 19,790)	436,982
<b>Balance, end of year</b>	<b>1,968,610</b>	<b>1,988,400</b>



The explanatory financial notes form an integral part of these financial statements.



**FINANCIAL POSITION**  
**MARCH 31, 2025**

	2025	2024 (Restated note 12)
	\$	\$
<b>ASSETS</b>		
Cash	1,888,618	974,756
Short-term investments (note 3)		965,072
Accounts receivable	145,050	144,199
Prepaid expenses	54,349	29,184
<b>Current assets</b>	<b>2,088,017</b>	<b>2,113,211</b>
Capital assets (note 4)	113,795	20,745
	<b>2,201,812</b>	<b>2,133,956</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 5)	136,497	65,556
Deferred revenue (note 7)	96,705	80,000
	<b>233,202</b>	<b>145,556</b>
<b>NET ASSETS</b>		
Net assets	1,968,610	1,988,400
	<b>2,201,812</b>	<b>2,133,956</b>

**APPROVED BY THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director



The explanatory financial notes form an integral part of these financial statements.



**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2025**

	2025	2024 (Restated note 12)
	\$	\$
<b>Cash flows from operating activities:</b>		
Excess (deficiency) of revenue over expenses for year	( 19,790)	436,982
Items not involving cash:		
Amortization	31,578	7,792
Loan forgiveness		( 20,000)
	11,788	424,774
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	( 851)	( 119,560)
Prepaid expenses	( 25,165)	4,112
Deferred revenue	16,705	( 80,717)
Accounts payable and accrued liabilities	70,941	( 8,065)
	73,418	220,544
<b>Cash flows from investment activities:</b>		
Net additions to capital assets	( 124,628)	( 17,854)
<b>Cash flows from financing activities:</b>		
Net repayment of long-term debt		( 40,000)
<b>Net increase (decrease) in cash</b>	<b>( 51,210)</b>	<b>162,690</b>
Cash, beginning of year	1,939,828	1,777,138
<b>Cash, end of year</b>	<b>1,888,618</b>	<b>1,939,828</b>
<b>Cash position includes:</b>		
Cash	1,888,618	974,756
Short-term investments (note 3)		965,072
	1,888,618	1,939,828



The explanatory financial notes form an integral part of these financial statements.





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## EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2025

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### 1. Organization

The Organization was incorporated in 1940 under the laws of the province of Ontario as a charitable organization without share capital under the name The Family Service Bureau of South Waterloo. Subsequently, the Organization changed its name to the Family Counselling Centre of Cambridge and North Dumfries. In October 2022 the Organization changed its operating name to Porchlight Counselling and Addiction Services.

The principal activity of the Organization is to provide mental health, addictions, and housing supports. The vision of the Organization is a community where emotional and mental health and well-being are prioritized and destigmatized. The purpose/mission of the Organization is to provide a safe space where counselling and addictions services support the emotional well-being of people in Cambridge and North Dumfries.

As Porchlight Counselling and Addiction Services is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

### 2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### (a) Amortization of capital assets

The Organization amortizes capital assets using the following methods and annual rates which will amortize the assets over their estimated useful lives:

Computer equipment	55%	Declining-balance
Computer software	55%	Declining-balance
Furniture and fixtures	20%	Declining-balance
Leasehold improvements	5 years	Straight-line

#### (b) Financial instruments

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

#### (c) Revenue recognition

The Organization 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.



**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2025**

**2. Summary of Significant Accounting Policies (Continued)**

**(d) Contributed services and materials**

Volunteers contribute many hours per year to assist the Organization in carrying out its service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are not recognized in the financial statements unless they would normally be purchased by the Organization and their fair market value can be determined.

**(e) Use of estimates**

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**3. Short-term Investments**

The Organization had a cashable GIC with RBC for \$450,000 plus interest which matured on October 14, 2024 and another for \$493,708 plus interest which matured on October 18, 2024.

	2025 \$	2024 \$
<b>4. Capital Assets</b>		
<b>Cost</b>		
Computer equipment	66,408	59,267
Computer software	4,937	2,068
Furniture and fixtures	129,745	115,127
Leasehold improvements	100,000	
	<b>301,090</b>	176,462
<b>Accumulated amortization</b>		
Computer equipment	57,099	50,084
Computer software	2,857	2,068
Furniture and fixtures	107,339	103,565
Leasehold improvements	20,000	
	<b>187,295</b>	155,717
<b>Net Book Value</b>	<b>113,795</b>	20,745

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**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2025**

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**5. Accounts Payable and Accrued Liabilities**

There were no amounts payable with respect to government remittances as of the year end date.

	<b>2025</b>	2024 (Restated note 12)
	\$	\$
<b>6. Government and Related Services Revenue</b>		
City of Cambridge	<b>12,000</b>	15,000
Township of North Dumfries	<b>4,000</b>	4,000
Ontario Ministry of the Attorney General (note 8)	<b>159,378</b>	159,377
Lutherwood	<b>200,886</b>	200,886
Ontario Ministry of Community and Social Services (note 9)	<b>299,178</b>	223,098
Ontario Ministry of Children and Youth Services (note 9)	<b>5,110</b>	5,000
Ministry for Seniors and Accessibility	<b>25,000</b>	20,000
Region of Waterloo	<b>558,382</b>	195,666
Ontario Autism Program		129,476
	<b>1,263,934</b>	952,503

**7. Deferred Revenue**

Deferred revenue consists of contributions that are designated for various future expenses. Once the related expenses are incurred, these contributions will be recognized as revenue.




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**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2025**

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**8. Ontario Ministry of the Attorney General**

As requested by the Ontario Ministry of the Attorney General under the terms of their funding contract, the Organization shall submit an outline of the revenue and expenses related to the program as outlined in the funding submission.

	2025 \$	2024 \$
<b>Revenue</b>		
Funding from Ontario Ministry of the Attorney General (MAG)	159,378	159,377
Client fees	16,326	16,957
	<b>175,704</b>	<b>176,334</b>
<b>Expenses</b>		
Insurance	2,000	2,000
Office supplies	3,200	3,200
Professional fees (audit, bookkeeping and legal)	2,000	2,000
Rent/lease and utilities	3,500	3,500
Salaries and benefits	159,586	159,678
Staff training	500	500
Telecommunications	3,000	3,500
Office expenses	1,500	1,000
	<b>175,286</b>	<b>175,378</b>
<b>Excess of revenue over expenses</b>	<b>418</b>	<b>956</b>



**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2025**

**9. Ontario Ministry of the Community and Social Services/Children and Youth Services**

Revenue and expenses related to Ontario Ministry of Community and Social Services (MCCSS) and Ontario Ministry of Children and Youth Services (MCYS) funding are as follows:

	MCYS \$	MCCSS \$
<b>Revenue</b>		
Provincial subsidy	5,110	299,178
<b>Expenses</b>		
Office administration	511	22,406
Salaries and benefits	3,850	155,657
Staff training	500	15,000
Supplies and equipment		7,500
Building and accommodation	249	93,288
Communications		5,327
	5,110	299,178
<b>Excess of revenue over expenses</b>	<b>NIL</b>	<b>NIL</b>

**10. Commitments**

The Organization has entered into a lease commitment for copy equipment with estimated minimum annual payments of approximately \$5,200. Furthermore, the Organization rents several buildings in Cambridge and area. The future minimum annual lease payments over the next four years is as follows:

	\$
2026	96,658
2027	87,258
2028	85,880
2029	17,176
	286,972

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**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2025**

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## **11. Financial Instruments**

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

### **Liquidity risk**

The operations of the Organization necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet anticipated daily financial obligations and fund future operational requirements. The Organization's objective is to ensure that it faces limited risk exposure in this area through requirements placed on the types and amounts of liquid assets that are required to be maintained in order to meet its current and future obligations. The Organization achieves this objective through the preparation and monitoring of annual operational budgets to assess current and future funding requirements. As well, the Organization holds its funds with a reputable financial institution. There has been no change in this risk exposure or the above objective, and policies and procedures used to manage this exposure during the year.

### **Credit risk**

The operations of the Organization necessitates the management of credit risk. Credit risk is the potential for loss due to the failure to collect revenue due to the Organization. The maximum exposure to this risk is encompassed in the accounts receivable balance on the statement of financial position.

### **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. The entity is mainly exposed to interest rate risk.

### **Interest rate risk**

The entity is exposed to interest rate risk on its fixed rate investments which subject the entity to a fair value risk.

## **12. Retrospective Restatement of Error**

During fiscal 2025, an error was identified relating to fiscal 2024. It was discovered that an additional \$67,392 in revenue from the Region of Waterloo's addiction services funding had not been recorded.

This error has been corrected retrospectively, and the comparative figures for fiscal 2024 have been restated. As a result of this correction, 2024 accounts receivable, government and related services revenue, excess of revenues over expenses for the year, and net assets each increased by \$67,392.