

L'Arche Canada
Consolidated Financial Information
For the year ended March 31, 2022

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Compilation Engagement Report

To the Management of
L'Arche Canada

On the basis of information provided by management, we have compiled the consolidated statement of financial position of L'Arche Canada as at March 31, 2022, the consolidated statements of revenue and expenditures and changes in fund balances for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled consolidated financial information, and other explanatory information (the "consolidated financial information").

Management is responsible for the accompanying consolidated financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the consolidated financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the consolidated financial information.

Readers are cautioned that the consolidated financial information may not be appropriate for their purposes.

Prior to compiling the consolidated financial information, we prepared adjusting journal entries that have an impact on the consolidated financial information.

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Montréal, Québec
XXX, 2022

L'Arche Canada
Consolidated Statement of Financial Position

March 31	Operating Fund	Externally Restricted Endowment Fund	Externally Restricted Fund	2022 Total	2021 Total
Assets					
Current					
Cash	\$ 962,272	\$ -	\$ 73,935	\$ 1,036,207	\$ 1,525,088
Marketable securities	-	-	63,460	63,460	69,295
Accounts receivable (Note 3)	559,308	-	-	559,308	417,472
Prepaid expenses	63,765	-	-	63,765	37,104
	<u>1,585,345</u>	<u>-</u>	<u>137,395</u>	<u>1,722,740</u>	<u>2,048,959</u>
Investments (Note 4)	1,715,112	2,074,700	-	3,789,812	3,707,131
Capital assets (Note 5)	81,101	-	-	81,101	20,689
	<u>\$ 3,381,558</u>	<u>\$ 2,074,700</u>	<u>\$ 137,395</u>	<u>\$ 5,593,653</u>	<u>\$ 5,776,779</u>
Liabilities and Net Assets					
Current					
Accounts payable and accrued liabilities	\$ 210,039	\$ -	\$ -	\$ 210,039	\$ 193,586
Deferred donations (Note 6)	463,046	-	-	463,046	1,006,606
	<u>673,085</u>	<u>-</u>	<u>-</u>	<u>673,085</u>	<u>1,200,192</u>
Net Assets					
Internally restricted (Note 9)	102,291	-	-	102,291	59,817
Externally restricted (Note 8)	-	-	137,395	137,395	185,214
Endowment Fund (Note 10)	1,400,000	-	-	1,400,000	1,400,000
Externally Restricted Endowment Fund	-	2,074,700	-	2,074,700	1,387,376
Unrestricted	1,206,182	-	-	1,206,182	1,544,180
	<u>2,708,473</u>	<u>2,074,700</u>	<u>137,395</u>	<u>4,920,568</u>	<u>4,576,587</u>
	<u>\$ 3,381,558</u>	<u>\$ 2,074,700</u>	<u>\$ 137,395</u>	<u>\$ 5,593,653</u>	<u>\$ 5,776,779</u>

On behalf of the Board:

_____ Director

_____ Director

L'Arche Canada
Consolidated Statement of Changes in Fund Balances

For the year ended March 31	Operating Fund	Externally Restricted Fund (Note 8)	Internally Restricted Fund (Note 9)	Endowment Fund (Note 10)	Externally Restricted Endowment Fund	2022 Total	2021 Total
Fund balances, beginning of the year	\$ 1,544,180	\$ 185,214	\$ 59,817	\$ 1,400,000	\$ 1,387,376	\$ 4,576,587	\$ 3,436,470
(Deficiency) excess of revenue over expenditures for the year	(306,700)	(36,643)	-	-	76,313	(267,030)	1,005,000
Endowment received during the year	-	-	-	-	611,011	611,011	135,117
Transfers	(31,298)	(11,176)	42,474	-	-	-	-
Fund balances, end of the year	\$ 1,206,182	\$ 137,395	\$ 102,291	\$ 1,400,000	\$ 2,074,700	\$ 4,920,568	\$ 4,576,587

L'Arche Canada
Consolidated Statement of Revenue and Expenditures

For the year ended March 31	Operating Fund	Externally Restricted Endowment Fund	Externally Restricted Fund	2022 Total	2021 Total
Revenue					
General donations	\$ 576,320	\$ -	\$ 1,337,474	\$ 1,913,794	\$ 1,341,200
Government grants	567,017	-	-	567,017	1,310,960
Communities dues	887,838	-	-	887,838	893,384
Investment income (Note 7)	51,922	76,313	-	128,235	758,106
Bequests	299,666	-	-	299,666	518,753
Other contributions restricted fund	33,255	-	309,648	342,903	357,595
Grants from foundations	716,334	-	-	716,334	244,634
Other (loss) revenue	(29,967)	-	-	(29,967)	13,768
Endowment grant income	63,347	-	-	63,347	-
	3,165,732	76,313	1,647,122	4,889,167	5,438,400
Expenditures					
Support to communities (Schedule)	1,377,404	-	1,035,073	2,412,477	1,609,120
Mission and public engagement (Schedule)	952,792	-	-	952,792	1,054,902
International development (Schedule)	321,127	-	648,692	969,819	992,865
Governance and administration (Schedule)	821,109	-	-	821,109	776,513
	3,472,432	-	1,683,765	5,156,197	4,433,400
(Deficiency) excess of revenue over expenditures for the year	\$ (306,700)	\$ 76,313	\$ (36,643)	\$ (267,030)	\$ 1,005,000

L'Arche Canada

Notes to Consolidated Financial Information

March 31, 2022

1. Nature and Purpose of Organization

The Organization was constituted according to Part II of the *Canada Corporations Act* on January 22, 1992, was issued a Certificate of Continuance under the *Canada Not-for-profit Corporations Act* effective October 10, 2012 and is a charitable organization under the *Income Tax Act*.

The mission of the Organization is to:

- make known the gifts of people with intellectual disabilities revealed through mutually transforming relationships;
 - foster an environment in community that responds to the changing needs of our members, whilst being faithful to the core values of our founding story;
 - engage in our diverse cultures, working together toward a more human society.
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2. Basis of Accounting

The basis of accounting applied in the preparation of the consolidated financial information is on the historical cost basis, reflecting cash transactions with the addition of:

- accounts receivable, less provision for doubtful accounts;
 - prepaid expenses;
 - capital assets stated at cost less accumulated amortization;
 - accounts payable and accrued liabilities;
 - the Organization follows the Restricted Fund method of accounting for contributions;
 - the Operating Fund accounts for the Organization's administrative activities;
 - the Externally Restricted Fund reports only restricted resources;
 - the Internally Restricted Fund reports resources which the Board of Directors have allocated to specific usage;
 - Endowment Fund represents internally restricted accumulated contributions received that are to be preserved by the Organization;
 - Externally Restricted Endowment Fund represents amounts received by donors that are to be preserved by the Organization.
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L'Arche Canada
Notes to Consolidated Financial Information

March 31, 2022

3. Accounts Receivable

	2022	2021
Communities	\$ 334,436	\$ 184,326
Sales taxes receivable	94,585	115,171
The International Federation of L'Arche Communities	130,287	117,975
	\$ 559,308	\$ 417,472

4. Investments

The carrying amounts of investments are comprised of the following:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Guaranteed investment certificates	\$ 301,795	\$ 301,795	\$ 300,000	\$ 300,000
Burgundy balanced Foundation Fund	2,910,489	3,387,344	2,797,769	3,392,063
Demand deposit	100,673	100,673	15,068	15,068
	\$ 3,312,957	\$ 3,789,812	\$ 3,112,837	\$ 3,707,131

The guaranteed investment certificates bear annual interest at 0.45% (2021 - 0.60%) and mature in March 2023 (2021 - March 2022).

L'Arche Canada
Notes to Consolidated Financial Information

March 31, 2022

5. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 11,094	\$ 7,869	\$ 11,094	\$ 6,948
Computer equipment	160,095	82,219	80,712	64,169
	171,189	90,088	91,806	71,117
		\$ 81,101		\$ 20,689

The amortization expense of capital assets for the year amounted to \$18,971 (2021 - \$7,923) and is included in governance and administration in the statement of revenue and expenditures.

6. Deferred Donations

	2022		2021	
Received from L'Arche ⁽¹⁾	\$ 49,993	\$ 49,993	-	412,000
Invested for L'Arche Antigonish			413,053	544,613
Other restricted donations			\$ 463,046	\$ 1,006,606

⁽¹⁾ Deferred donations received from L'Arche in 2017 which was designated for the L'Arche Haiti (Carrefour and Chantal) relocation projects.

7. Investment Income

	2022		2021	
Interest	\$ 1,922	\$ 6,925		
Pooled fund distributions	209,944	116,105		
Unrealized (loss) gain on fair value of investments	(201,336)	633,890		
Realized gain on disposal of investments	117,705	1,186		
Total investment income recognized as revenue	\$ 128,235	\$ 758,106		

L'Arche Canada
Notes to Consolidated Financial Information

March 31, 2022

8. Externally Restricted Fund

The Organization's externally restricted net assets are as follows:

	<u>2022</u>	<u>2021</u>
Designated donations - International	\$ 73,935	\$ 104,743
Retirement fund - Retired long-term assistants	-	11,176
Retirement fund - Investment	<u>63,460</u>	<u>69,295</u>
	<u>\$ 137,395</u>	<u>\$ 185,214</u>

During the year, there was \$11,176 transferred from Externally Restricted Fund to Internally Restricted Fund (2021 - \$8,816 transferred from Externally Restricted Fund to Operating Fund).

9. Internally Restricted Fund

The Organization's internally restricted net assets are as follows:

	<u>2022</u>	<u>2021</u>
Western region reserve	\$ 59,817	\$ 59,817
Financial support to communities	31,298	-
Retirement fund - Retired long-term assistants	<u>11,176</u>	<u>-</u>
	<u>\$ 102,291</u>	<u>\$ 59,817</u>

During the year, the Board of Directors approved the transfer of \$42,474 from Externally Restricted Fund and Operating Fund to Internally Restricted Fund (2021 - \$49,470 from Internally Restricted Fund to Operating Fund).

10. Endowment Fund

During the year, the Board of Directors approved the transfer of \$Nil from Endowment Fund to Externally Restricted Endowment Fund (2021 - transfer of \$100,000).

L'Arche Canada Consolidated Schedule

For the year ended March 31, 2022	Salaries and Benefits	Office Expenses, Rent, Interest and Banking Charges	Administrative, Professional Fees and Membership Fees	Training and Activities	Traveling Expenses	Total Operating Fund Expenditures	Financial Support	Total
Support to communities	\$ 1,021,830	\$ 10,597	\$ 259,053	\$ 57,286	\$ 28,638	\$ 1,377,404	\$ 1,035,073	\$ 2,412,477
Mission and public engagement	665,185	4,335	196,079	80,783	6,410	952,792	-	952,792
International development	136,374	-	179,095	5,658	-	321,127	648,692	969,819
Governance and administration	354,579	197,004	243,151	24,371	2,004	821,109	-	821,109
	\$ 2,177,968	\$ 211,936	\$ 877,378	\$ 168,098	\$ 37,052	\$ 3,472,432	\$ 1,683,765	\$ 5,156,197

For the year ended March 31, 2021	Salaries and Benefits	Office Expenses, Rent, Interest and Banking Charges	Administrative, Professional Fees and Membership Fees	Training and Activities	Traveling Expenses	Total Operating Fund Expenditures	Financial Support	Total
Support to communities	\$ 966,425	\$ -	\$ 270,894	\$ 108,351	\$ 26,466	\$ 1,372,136	\$ 236,984	\$ 1,609,120
Mission and public engagement	647,354	-	283,885	121,363	2,300	1,054,902	-	1,054,902
International development	102,237	-	171,593	15,010	-	288,840	704,025	992,865
Governance and administration	355,296	219,823	200,649	745	-	776,513	-	776,513
	\$ 2,071,312	\$ 219,823	\$ 927,021	\$ 245,469	\$ 28,766	\$ 3,492,391	\$ 941,009	\$ 4,433,400