



Financial Statements

L'Arche Canada Foundation

March 31, 2011

L'ARCHE CANADA FOUNDATION
2011 Financial Statements

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Independent Auditor's Report

To the Board of Directors of
L'Arche Canada Foundation

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We have audited the accompanying financial statements of L'Arche Canada Foundation, which comprise the balance sheet as at March 31, 2011, and statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of L'Arche Canada Foundation as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants
Toronto, Canada
June 7, 2011

L'ARCHE CANADA FOUNDATION

Balance Sheet As at March 31

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 426,574	\$ 1,301,639
Accounts receivable	96,260	31,001
Sales tax recoverable	32,282	5,102
Prepaid expenses	6,419	1,318
Amounts receivable from L'Arche Canada	-	75,823
	561,535	1,414,883
Loan receivable from L'Arche Halifax	-	150,000
Investments	1,013,835	-
	\$ 1,575,370	\$ 1,564,883

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities	\$ 126,838	\$ 367,261
Deferred grant revenue	68,592	-
	195,430	367,261
Net assets		
Unrestricted	156,628	191,706
Internally restricted	1,223,312	1,005,916
	1,379,940	1,197,622
	\$ 1,575,370	\$ 1,564,883

See accompanying notes

On behalf of the Board

Director

Director

L'ARCHE CANADA FOUNDATION
Statement of Operations and Net Assets
Year ended March 31

	2011	2010
Revenue		
General donations	\$ 1,148,223	\$ 1,807,616
Grants from foundations	568,920	522,307
Bequests	228,250	125,335
Designated grants for I Belong project	122,425	22,680
Other designated grants	21,409	-
Interest and sundry revenue	26,585	20,631
	<hr/> 2,115,812	<hr/> 2,498,569
Expenditures		
Grants to L'Arche in Canada (note 4)	1,169,755	1,205,091
Grants disbursed for I Belong project	122,438	22,927
Grants to L'Arche communities in Canada	44,217	63,873
Grants disbursed for other designated projects	21,409	-
Salaries and benefits	266,044	298,118
Direct mail and printing	139,011	128,205
Purchased services	87,118	52,865
Rent, office and administration	58,257	65,978
Travel, training and meetings	25,245	31,046
	<hr/> 1,933,494	<hr/> 1,868,103
Excess of revenue over expenditures	182,318	630,466
Net assets, beginning of year	1,197,622	567,156
Net assets, end of year	<hr/> <hr/> \$ 1,379,940	<hr/> <hr/> \$ 1,197,622

See accompanying notes

L'ARCHE CANADA FOUNDATION
Statement of Cash Flows
Year ended March 31

	2011	2010
Operating activities		
Excess of revenue over expenditures	\$ 182,318	\$ 630,466
Net change in non-cash working capital items		
Accounts receivable	(65,259)	161,829
Sales tax recoverable	(27,180)	782
Amounts due to L'Arche Canada	-	99,643
Prepaid expenses	(5,101)	2,800
Accounts payable and accrued liabilities	(240,423)	(22,764)
Amounts receivable from L'Arche Canada	75,823	(75,823)
Deferred grant revenue	68,592	-
	(193,548)	166,467
Cash flows from operating activities	(11,230)	796,933
Investing activities		
Loan receivable from L'Arche Halifax	150,000	(150,000)
Purchase of investments	(1,013,835)	-
Cash flows from investing activities	(863,835)	(150,000)
Net change in cash and cash equivalents during the year	(875,065)	646,933
Cash and cash equivalents, beginning of year	1,301,639	654,706
Cash and cash equivalents, end of year	\$ 426,574	\$ 1,301,639
Cash and cash equivalents consist of:		
Cash on deposit	\$ 325,827	\$ 125,401
Cashable guaranteed investment certificates, bearing interest at 1.25% (2010 - 1.03% to 1.12%), due to mature from January 2014 to March 2014 (2010 - July 2012 to January 2013)	100,747	1,176,238
	\$ 426,574	\$ 1,301,639

See accompanying notes

L'ARCHE CANADA FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

1. Nature of operations

L'Arche Canada Foundation (the "Foundation") is an organization created by L'Arche Canada to provide new flows of financial capital in support of the mission and work of L'Arche in Canada. During its initial phase of development, the Board of L'Arche Canada Foundation is initiating a diverse range of fundraising activities, including solicitation of grants from foundations and corporations, direct mail appeals, and requests for major gifts from individuals.

The Foundation was incorporated under Canadian letters patent issued March 14, 2001 and is a registered charity designated as a public foundation under the Income Tax Act (Canada). The Foundation commenced operations in August 2001 under the name Friends of L'Arche in Canada. The Foundation qualifies for tax exempt status under Section 149(1)(f) of the Income Tax Act.

2. Summary of significant accounting policies

The Foundation follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Equipment

All capital assets are expensed in the year of acquisition due to the relative immateriality of the dollar value of items purchased. During the year, the Foundation expensed \$6,647 (2010 - \$4,623) of equipment purchases.

Revenue recognition

The Foundation follows the deferral method of accounting for donations. Restricted donations and grants are recognized as income in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as income when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed goods and services

Contributed goods and services are recorded when a fair value can be reasonably estimated and they would otherwise be purchased by the Foundation.

Volunteers make contributions of their time to the Foundation's programs. The value of this contributed time is not reflected in these financial statements.

Financial instruments

The Foundation's financial instruments are comprised of cash and cash equivalents, sales tax recoverable, accounts receivable, investments and accounts payable.

The carrying value of the Foundation's financial instruments approximates fair value due to their short-term maturities. The investments consist of bond pooled funds and are recorded at cost, which approximates their fair market value at year end.

It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from financial instruments.

L'ARCHE CANADA FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

2. Summary of significant accounting policies — continued

Management of capital

The Foundation defines capital as total unrestricted and internally restricted net assets. The Foundation manages its capital so that it will be able to continue to promote and advance its charitable objects.

Future accounting standards

The Canadian Accounting Standards Board has issued new accounting standards effective for not-for-profit organizations for fiscal years beginning on or after January 1, 2012, with earlier adoption permitted. The Foundation does not expect any significant changes as a result of the new standards.

3. Net assets

	Unrestricted Operating Fund	Internally Restricted Vanier Legacy Fund	2011 Total	2010 Total
Contributions	\$ 1,803,355	\$ 312,456	\$ 2,115,811	\$ 2,498,569
Disbursements	(1,838,433)	(95,060)	(1,933,493)	(1,868,103)
Surplus (deficit), current year	(35,078)	217,396	182,318	630,466
Net assets, beginning of year	191,706	1,005,916	1,197,622	567,156
Net assets, end of year	<u>\$ 156,628</u>	<u>\$ 1,223,312</u>	<u>\$ 1,379,940</u>	<u>\$ 1,197,622</u>

Operating fund

Operating fund net assets are available for use by the Foundation for day-to-day operating transactions and for transfer to other internally restricted funds.

Vanier Legacy fund

This fund is an internally restricted fund. This fund will be developed to provide resources for consistent and enduring growth of L'Arche initiatives in Canada.

4. Related party transactions

The Foundation is related to L'Arche Canada and during the year remitted \$1,169,755 (2010 - \$1,205,091) in support of L'Arche Canada programs.

Any amounts due to or from L'Arche Canada are settled on a current basis and bear no specific terms or interest.