

Financial statements

**L'Arche Avalon Inc.**

Unaudited

March 31, 2025

**L'Arche Avalon Inc.**

**STATEMENT OF FINANCIAL POSITION**

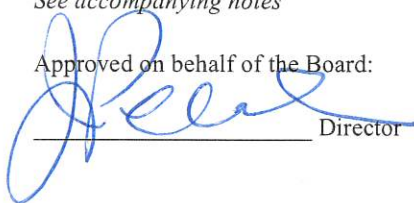
As at March 31

Unaudited

	2025	2024
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	185,490	131,421
Marketable securities [note 2]	11,282	10,822
Harmonized sales tax recoverable	16,743	16,590
Prepaid expenses	947	864
<b>Total current assets</b>	<b>214,462</b>	<b>159,697</b>
Tangible capital assets, net [note 3]	190,406	190,696
<b>Total assets</b>	<b>404,868</b>	<b>350,393</b>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>Current liabilities</b>		
Deferred contributions [note 4]	10,036	10,036
<b>Total current liabilities</b>	<b>10,036</b>	<b>10,036</b>
<b>Net assets</b>		
Unrestricted net assets	394,832	340,357
<b>Total net surplus</b>	<b>394,832</b>	<b>340,357</b>
	<b>404,868</b>	<b>350,393</b>

*See accompanying notes*

Approved on behalf of the Board:

  
\_\_\_\_\_  
Director

**L'Arche Avalon Inc.**

**STATEMENT OF OPERATIONS**

Year ended March 31

Unaudited

	2025	2024
	\$	\$
<b>REVENUE</b>		
Fundraisers	15,897	65,072
Government grants	-	31,907
Donations	46,099	13,914
Membership fees	540	300
Interest income	460	264
Deferred contributions recognized as revenue	-	-
	<u>62,996</u>	<u>111,457</u>
<b>EXPENSES</b>		
Insurance	2,334	2,177
L'Arche annual membership fee	2,000	2,000
Gatherings	1,002	1,646
Office supplies	622	447
Promotions	518	224
Administrative costs	511	-
Website expenses	500	139
Canada Helps fees	444	473
Amortization	290	649
Fundraisers - General	189	2,813
Honorariums/gifts	70	291
Bank fees	41	83
Fundraisers - Capital campaign	-	5,079
Repairs and maintenance	-	258
Donations	-	50
	<u>8,521</u>	<u>16,329</u>
<b>Excess of revenue over expenses</b>	<u>54,475</u>	<u>95,128</u>

*See accompanying notes*

**L'Arche Avalon Inc.**

**STATEMENT OF CHANGES IN NET ASSETS**

Year ended March 31

Unaudited

	2025	2024
	Unrestricted	
	net	
	assets	Total
	\$	\$
Balance, beginning of year	340,357	245,229
Excess (deficiency) of revenue over expenses	54,475	95,128
Balance, end of year	394,832	340,357

*See accompanying notes*

**L'Arche Avalon Inc.**

**STATEMENT OF CASH FLOWS**

Year ended March 31

Unaudited

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	<b>54,475</b>	95,128
Add item not affecting cash		
Amortization of capital assets	<b>290</b>	649
	<b>54,765</b>	95,777
Changes in non-cash working capital balances		
Harmonized sales tax recoverable	<b>(153)</b>	(3,711)
Prepaid expenses	<b>(83)</b>	465
Accounts payable and accrued liabilities	<b>—</b>	(23,020)
Deferred contributions	<b>—</b>	—
<b>Cash provided by operating activities</b>	<b>54,529</b>	69,511
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	<b>—</b>	(22,688)
Purchase of marketable securities	<b>(460)</b>	(264)
<b>Cash used in investing activities</b>	<b>(460)</b>	(22,952)
<b>Net change in cash, during the year</b>	<b>54,069</b>	46,559
Cash, beginning of year	<b>131,421</b>	84,862
<b>Cash, end of year</b>	<b>185,490</b>	131,421

*See accompanying notes*

## **L'Arche Avalon Inc.**

### **Notes to financial statements**

March 31, 2025

Unaudited

#### **1. Summary of significant accounting policies**

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations", which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

##### **Nature and purpose of organization**

The organization is a charitable organization incorporated without share capital under the laws of the province of Newfoundland and Labrador. The organization establishes homes for individuals with intellectual disabilities and their live-in assistants in St. John's, Newfoundland and Labrador. As a charitable organization, the organization is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

##### **Tangible capital assets**

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at their estimated fair value at the date of contribution. The amortization methods applied to write off the cost of tangible capital assets over their estimated useful lives are as follows:

Computer equipment	55%	declining balance method
Computer software	100%	declining balance method
Musical instruments	20%	declining balance method

Pre-construction costs are not amortized until the project is substantially complete and available for use, at which time the projects are transferred to the appropriate class of assets and amortized accordingly. When a tangible capital asset no longer has any long-term service potential, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations.

##### **Revenue recognition**

The organization follows the deferral method of accounting for contributions whereby externally restricted contributions are recognized as revenue in the year which the related expenditure is incurred. Unrestricted contributions are recognized as revenue when received if the amount to be received can be reasonably measured and collection is reasonably assured.

Membership fee revenue is recognized over the term of the membership contract and any unearned portion is included in deferred revenue at year end.

Donations are recognized as revenue when received.

##### **Use of estimates**

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the

**L'Arche Avalon Inc.****Notes to financial statements**

March 31, 2025

Unaudited

reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period which they become known. Actual results could differ from these estimates. Estimates include the determination of the useful lives of capital assets and their amortization rates.

**Financial instruments**

Financial instruments are recorded at their fair value when acquired or issued. All guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

**2. Marketable securities**

	2025	2024
	\$	\$
CIBC Guaranteed Investment Certificate bearing interest at 2.00% (2024 – 4.25%), maturing March 13, 2026 (2023 – March 13, 2025)	11,282	10,822

**3. Tangible capital assets**

	2025		2024
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	63,464	—	63,464
Pre-construction costs	126,319	—	126,319
Musical instruments	2,231	1,806	425
Computer equipment	958	760	198
Computer software	346	346	—
	193,318	2,912	190,406
			190,696

## **L'Arche Avalon Inc.**

### **Notes to financial statements**

March 31, 2025

Unaudited

#### **4. Deferred contributions**

Deferred contributions represent unspent resources externally restricted for program expenses in future years. Changes in the deferred contributions balance are as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>10,036</b>	10,036
Amounts received during the year	—	—
Amounts recognized as revenue during the year	—	—
Balance, end of year	<b>10,036</b>	10,036

#### **5. Financial instruments**

The organization is exposed to the following financial risks through its operations:

##### **Interest rate risk**

Interest rate risk is the risk that the value of the financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its Guaranteed Investment Certificate's fixed interest rate.