L'ARCHE OTTAWA

FINANCIAL STATEMENTS

MARCH 31, 2026

Ouseley Hanvey Clipsham Deep LLP
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
L'Arche Ottawa:

Qualified opinion

We have audited the financial statements of L'Arche Ottawa ("the Entity"), which comprise the statement of financial position as at March 31, 2026, and the statements of changes in net assets, operations 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 possible 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 Entity as at March 31, 2026, 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 qualified opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net revenue for the year, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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 Entity 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 audit opinion.

Emphasis of matter – restatement of comparative information

We draw attention to Note 10 to the financial statements, which describes a restatement of the comparative figures due to the correction of a prior period error. As explained in Note 10, the error related amounts being incorrectly charged to the replacement reserve fund. Our opinion is not modified with respect to this matter.

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 Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity’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 Entity’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 Entity 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.

OHCD LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants
Ottawa, Ontario
September 10, 2026

L'ARCHE OTTAWA

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

		2026		2025
CURRENT ASSETS				
Cash	$	2,332,718	$	1,817,586
Short-term investment (note 2)		253,469		429,949
Accounts receivable		218,235		120,406
		2,804,422		2,367,941
PROPERTY AND EQUIPMENT (note 3)		1,592,188		1,224,318
LONG-TERM INVESTMENTS (note 2)		308,082		109,085
	$	4,704,692	$	3,701,344
CURRENT LIABILITIES				
Accounts payable and accrued liabilities		210,193		144,226
Current portion of long-term debt (note 4)		-		16,339
		210,193		160,565
LONG-TERM LIABILITIES				
Deferred funding of capital assets (note 5)		1,133,253		121,615
Replacement reserve fund (note 6)		275,739		275,739
		1,408,992		397,354
		1,619,185		557,919
NET ASSETS				
Unrestricted		2,010,600		2,445,685
Internally restricted - property and equipment		1,074,907		697,740
		3,085,507		3,143,425
	$	4,704,692	$	3,701,344

Approved on behalf of the Board:

L'ARCHE OTTAWA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

	Operating Fund	Housing Fund	Board Administered Fund	Day Program	Total 2026	Total 2025
Revenue						
Provincial and Federal subsidies (note 9)	$ 2,724,960	111,966	-	-	2,836,926	$ 3,075,077
Accommodation						
Residents	261,385	-	82,543	-	343,928	339,970
Staff	107,228	-	43,797	-	151,025	168,609
Grants	27,862	-	-	-	27,862	64,040
Non-MCCSS subsidies	7,603	-	200	-	7,803	32,224
Donations (note 7)	-	-	88,242	8,714	96,956	139,278
Bequest - Estate of F. McGrand (note 8)	-	-	4,194	-	4,194	-
Bequests (other)	-	-	350,000	-	350,000	19,115
Investment income	-	-	64,068	-	64,068	68,491
Community Centre - capital grant	9,277	-	-	-	9,277	-
Miscellaneous	14,082	-	2,400	-	16,482	3,950
Fee for service	94,320	-	-	109,181	203,501	154,971
Solidarity	-	-	-	-	-	2,340
	3,246,716	111,966	635,444	$ 117,894	4,112,021	4,068,065
Expenditure						
Salaries and benefits	2,964,639	37,346	85,701	155,831	3,243,516	3,041,734
Repairs and maintenance	24,234	5,634	-	-	29,868	56,167
Utilities and telephone	61,841	-	-	-	61,841	60,809
Insurance	20,662	-	27,064	359	48,085	26,162
Administration costs - staff related or other	228,580	-	6,876	6,076	241,531	206,775
Program activities	113,754	-	37,709	26,319	177,782	227,763
Staff travel	15,868	-	309	1,798	17,975	17,481
Staff training	30,066	-	-	-	30,066	9,970
Purchased services	- 7,569	-	28,810	5,421	26,661	63,352
Supplies, equipment, and general office	7,904	-	3,741	583	12,228	20,243
Property taxes	1,453	-	-	-	1,453	1,164
Rent	24,000	-	-	-	24,000	24,000
Food and house supplies	137,814	-	-	-	137,814	149,760
Vehicle operation and maintenance	28,853	-	-	-	28,853	44,589
Personal needs	2,876	-	-	-	2,876	1,360
Mortgage interest	-	-	-	-	-	1,080
Amortization	8,396	68,986	-	8	77,390	90,880
Replacement reserve	-	-	-	-	-	6,946
Solidarity	-	-	8,000	-	8,000	8,000
Development	-	-	-	-	-	2,557
	3,663,369	111,966	198,209	196,394	4,169,938	4,060,792
Net revenue (expenditure) for the year	(416,653)	-	437,235	(78,500)	(57,917)	7,273
Net assets (deficit) at beginning of year	(1,124,141)	(177,843)	$ 4,530,004	-	3,143,425	3,136,152
Net assets (deficit) at end of year	$ (1,540,794)	$ (177,843)	$ 4,967,239	$ (78,500)	3,085,508	$ 3,143,425

L'ARCHE OTTAWA

OPERATING FUND
STATEMENT OF GENERAL OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

	Supportive Independent Living	Residence	BPS - Development	Passport Funding	Community Participation Services	Total 2026	Total 2025
Revenue							
Provincial and Federal subsidies	$ 175,535	2,454,425	183	53,119	41,698	$ 2,724,960	$ 2,971,854
Accommodation	-	368,613	-	-	-	368,613	373,965
Grant	-	27,862	-	-	-	27,862	10,040
Non-MCCSS subsidies	-	7,603	-	-	-	7,603	32,224
Investment income	-	9,277	-	-	-	9,277	
Community Centre - Capital Grant	-	14,082	-	-	-	14,082	
Miscellaneous revenue	-	94,320	-	-	-	94,320	
	175,535	2,976,182	183	53,119	41,698	3,246,716	3,388,083
Expenditure							
Salaries and benefits	32,787	2,910,683	183	2,064	18,922	2,964,639	2,782,722
Repairs and maintenance	-	24,234	-	-	-	24,234	36,463
Utilities and telephone	-	61,841	-	-	-	61,841	30,682
Insurance	-	20,662	-	-	-	20,662	19,901
Administration costs - staff related and other	-	224,420	-	-	4,160	228,580	206,775
Program activities	17,727	14,835	-	62,318	18,874	113,754	105,819
Staff travel	681	6,992	-	7,965	230	15,867	14,372
Staff training	-	30,066	-	-	-	30,066	9,370
Purchased services	-	- 8,229	-	660	-	(7,569)	26,331
Supplies, equipment, and general office	-	7,648	-	256	-	7,904	17,285
Property taxes	-	1,453	-	-	-	1,453	1,164
Rent - premises	-	24,000	-	-	-	24,000	24,000
Food and house supplies	-	137,814	-	-	-	137,814	141,272
Vehicle operation and maintenance	1,724	27,129	-	-	-	28,853	44,588
Amortization	-	8,396	-	-	-	8,396	
Personal needs	-	2,876	-	-	-	2,876	1,360
	52,918	3,494,819	183	73,263	42,186	3,663,369	3,462,104
Net revenue (expenditure) for the year	122,617	(518,637)	-	(20,144)	(488)	(416,653)	(74,021)
Net deficit at beginning of year						(1,374,372)	(1,300,351)
Net deficit at end of year						$ (1,791,025)	$ (1,374,372)

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

		2026		2025
CASH PROVIDED BY (USED FOR)				
OPERATING ACTIVITIES				
Net revenue (expenditure) for the year	$	(57,917)	$	7,273
Non-cash items				
- amortization		77,390		90,880
- amortization of deferred funding for capital assets		(9,277)		(12,904)
-other non-cash item		6,384		2,667
Changes in non-cash working capital items:				
Accounts receivable		(97,829)		(98,824)
Accounts payable and accrued liabilities		65,967		(32,508)
		(15,282)		(43,416)
INVESTING ACTIVITIES				
Change in investments		(22,517)		(23,334)
Purchase of property and equipment		(451,645)		(199,594)
		(474,162)		(222,928)
FINANCING ACTIVITIES				
Funding received for capital assets		1,020,915		100,351
Increase (decrease) of long-term debt		(16,339)		(26,100)
Increase (decrease) of replacement reserve fund		-		3,200
		1,004,576		77,451
Change in cash		515,132		(188,893)
Cash beginning of year		1,817,586		2,006,479
CASH END OF YEAR	$	2,332,718	$	1,817,586

L'ARCHE OTTAWA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

Organization

L'Arche Ottawa is a non-profit charitable organization incorporated in the province of Ontario in 1972 to provide residential and day program services to Anglophone and Francophone adults with intellectual disabilities. L'Arche Ottawa is a member of the International Federation of L'Arche, whose mission is "to make known the gifts of people with intellectual disabilities, revealed through mutually transforming relationships; to 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; to engage in our diverse cultures, working together towards a more human society." L'Arche Ottawa is a registered charity within the meaning of the Income Tax Act and is exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

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

Financial Instruments
Investments are initially recognized at fair value and subsequently measured at fair value, with changes in fair value recognized in income. Other financial instruments are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Financial assets measured at amortized cost include cash and accounts receivable. Financial assets measured at fair value include investments. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities, and long-term debt.

Fund Accounting
Revenues and expenditures related to program services to residential and supportive independent living clients of L'Arche Ottawa are reported in the Operating Fund. These program services are primarily funded by the Ministry of Children, Community and Social Services.

Revenues and expenditures related to costs of the mortgaged homes owned and operated by L'Arche Ottawa, with funding from the Ministry of Children, Community and Social Services - Housing, are reported in the Housing Fund.

The Board Administered Fund reports on revenues and expenditures related to the assets of L'Arche Ottawa and separate contractual undertakings with the Ministry of Children, Community and Social Services.

Internally restricted funds consist of amounts received as donations. Any use of these funds requires the approval of the Board.

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. Contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the depreciation expense related to the acquired capital assets. Unrestricted contributions, including grants, donations, bequests, and miscellaneous revenue, are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Accommodation revenue is recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Fee for service revenue is recognized as revenue when the related services have been rendered, provided the amount can be reasonably estimated and collection is reasonably assured. Investment income is recognized on an accrual basis in the year earned.

Property and equipment and amortization
Property and equipment are recorded at cost. Amortization is provided as follows:

Whitehaven Cres	- Straight line over 25 years
Furniture and fixtures	- 20% declining balance
Automobiles, computers	- 30% declining balance
Renovations	- Straight line over 10 years
Community Centre - renovations	- Straight line over 20 years, over length of lease
Hinton St., Hare Ave., Bel-Air Dr., Mountainview Ave., Iroquois Rd.,	- Sinking fund equivalent to principal drawdown on related mortgage

L'ARCHE OTTAWA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

Contributed services
A large number of volunteers contribute a significant number of hours per year to assist L'Arche Ottawa in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

2. INVESTMENTS

Investments consist of guaranteed investment certificates with interest rates between 4.57% and 4.83%, maturing between June 2026 and June 2029, and a Canadian money market mutual fund.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	Cost	Accumulated amortization	NBV 2026	NBV 2025
Board Administered Fund				
Land and buildings:				
Hinton St.	$ 300,000	300,000	-	-
Whitehaven Cres.	539,000	151,723	387,277	402,905
Other:				
Automobiles	76,768	76,768	-	-
La Source - rebuild	668,502	-	668,502	233,603
Whitehaven Cres. - renovations	810,464	330,448	480,016	514,052
Renovations	378,501	378,501	-	-
Community Centre	321,759	321,759	-	-
	3,095,211	1,559,199	1,535,795	1,150,560
Housing Fund				
Land and buildings:				
Hare Ave.	253,934	253,934	-	-
Bel-Air Dr.	264,883	264,883	-	-
Mountainview Ave.	326,627	326,627	-	-
Iroquois Rd.	378,963	378,963	-	19,319
Other:				
Automobiles	75,217	55,625	19,592	27,995
Computers	41,539	28,553	12,987	10,685
Furniture and fixtures	60,740	36,926	23,814	15,759
	1,401,904	1,345,512	56,393	73,758
Total property and equipment	**4,497,115**	**2,904,710**	**1,592,188**	**1,224,318**

L'ARCHE OTTAWA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

4. LONG-TERM DEBT

HOUSING FUND

Repayment of this long-term debt was fully subsidized by the Ontario Ministry of Children, Community and Social Services – Housing.

	2026 $	2025 $
Canada Mortgage and Housing Corporation :		
Hare Ave - 0.68%, due March 2024, payable in blended monthly installments of $1,078	-	-
Bel -Air Drive - 0.68%, due April 2024, payable in blended monthly installments of $1,129	-	-
Mountainview Avenue - 1.69%, due July 1, 2024, payable in blended monthly installments of $1,452	-	-
Peoples Trust		
Iroquois Road - 2.15%, due January 2026, payable in blended monthly installments of $1,648	-	16,339
	-	16,339
Less: Current Portion	-	16,339
	-	-

During the year, the remaining mortgage on Iroquois Road matured and was repaid in full. As at March 31, 2026, the organization has no outstanding long-term deb

5. DEFERRED FUNDING OF CAPITAL ASSETS

In 2021, L'Arche Ottawa received $90,244 in funding from the Ontario Ministry of Children, Community and Social Services for capital asset additions. This funding is being amortized to revenue on the same basis as the amortization of the related assets. $12,904 was recognized as revenue in 2025.

L'Arche Ottawa received $100,351 in funding toward the construction of La Source in fiscal 2025, followed by an additional $1,020,915 in fiscal 2026, bringing total funding received to date to $1,121,266. This funding will be recognized as revenue on the same basis as the related capital asset is amortized. As at March 31, 2026, the asset was not yet in use and, accordingly, no amortization of the related funding has been recorded.

6. REPLACEMENT RESERVE FUND

An amount specified by an agreement with the Ontario Ministry of Children, Community and Social Services - Housing is set aside for the replacement of capital items

Activity during the year was as follows:

	2026 $	2025 $
Balance at beginning of year	275,739	272,539
Current year addition (spending)	-	3,200
Balance at end of year	275,739	275,739

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NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

7. DONATIONS

The results from L'Arche Ottawa's fundraising activities for the current year are:

Balance from prior years		$ 279,350
Donations raised		442,436
Total available donations		721,786
Funds spent during the year:		
Fundraising and activity costs	$	8,067
Solidarity		8,000
Employee appreciation		1,479
Community life costs (events & salaries)		95,220
Day Program deficit		87,213
Meetings and seminars		2,099
		202,078
Balance to be spent (raised) in future years.		$ 519,708

8. BEQUEST

L'Arche Ottawa received a bequest that is to be held in trust. The principal amount of the bequest is not accessible by L'Arche Ottawa; however, the Organization is entitled to receive the investment income earned on the principal on a quarterly basis.

9. MINISTRY CONTRACTS/ECONOMIC DEPENDENCE

L'Arche Ottawa has service contracts with the Ministry of Children, Community and Social Services (MCCSS) for Supportive Independent Living, Adults Accommodation, and Community Participation Services. A requirement of these contracts is the preparation by Management of Annual Program Expenditure Reports, which provide a summary by service of all revenues and expenditures, as well as any resulting surplus or deficit related to the contract.

These service contracts accounted for 69% of revenue in fiscal 2026 and 75% of revenue in fiscal 2025.