



Financial Report

L'Arche International 2017-2022



TOGETHER IN THE WORLD

FEDERATION ASSEMBLY | JUNE 20TH - 24TH 2023

Financial report

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Reminder of the financial structures of L'Arche

L'Arche has various sources of income:

- Communities are financed through public funds, donations, and, in some cases, by their own activities. In France and the United Kingdom public financing is over 90%. In Canada and the United States (where public funding for the communities differs depending on the province or state where they are located) and for other countries, the situation is very diverse.
- National structures are financed by community dues and donations.

L'Arche International income:

- L'Arche International is financed by community dues for 12% of the total budget or 20% of operating expenses (2022 data). Most of the income comes from "confirmed" countries (France, U.S.A., Canada, U.K.) who transfer part of the donations or legacies they have received. The rest comes directly from major donors.
- L'Arche International revenues mostly come from donations.

Financially, L'Arche International represents only a small part of L'Arche. To put this into context, overall L'Arche spends an estimated €180 million annually. L'Arche International represents less than 3% of that total.

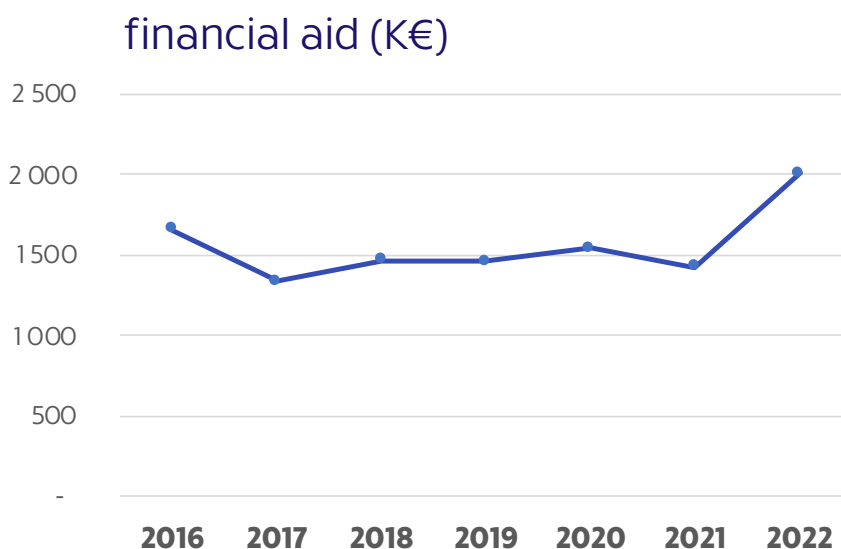
Expenditures

Direct Financial Aid

Some communities face difficulties in obtaining their financial autonomy. Others need short-term financial support for large-scale projects or exceptional events. L'Arche International organizes solidarity, coordinating with the various countries seeking financial assistance and centralizing fund transfer management to communities.

Over the period 2017-2022, direct financial aid has remained stable at approximately 1.5M€. For the year 2022, financial aid increased to 2M€ due to exceptional support for communities in Ukraine and neighboring countries.

This exceptional support was covered by the establishment in early 2022 of an emergency fund for those communities in difficulty, raising 556K€ in the 2022 year.



Operating expenditures

Operating expenditures (salaries, travel, IT, offices, fees...) can be classified into four categories of desired objectives:

- **Unity:**

This category includes expenditures to maintain the cohesion of L'Arche (leadership, international meetings, etc.) and reinforce good practices in all of the communities in the world. Several important projects fall into this category:

- Drafting of the Charter (300K€ over 2020/2021/2022)
- Evaluation and Learning (221K€ over 2020/2021/2022)
- Study Commission (202K€ over 2020/2021/2022)
- International Database (183K€ over 2020/2021/2022)
- Inclusion (126K€ over 2020/2021/2022)
- Safeguarding (52K€ over 2020/2021/2022)

- **Solidarity Coordination:**

Organizing support to communities outside of the confirmed countries, i.e., 11 representatives - 8.6 FTE - who accompany 36 single communities, and 4 international delegates who supervise envoys and accompany middle countries.

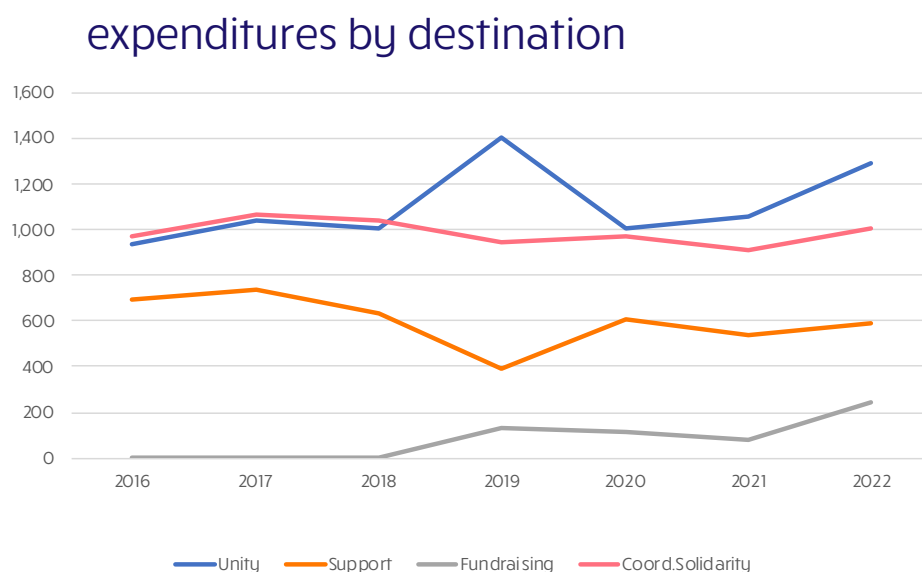
- **Support functions:**

Finances, communication, human resources

- **Fundraising support:**

Leading and coordinating international fundraising activities with local fundraisers, offering training, managing communication with certain major donors, etc.

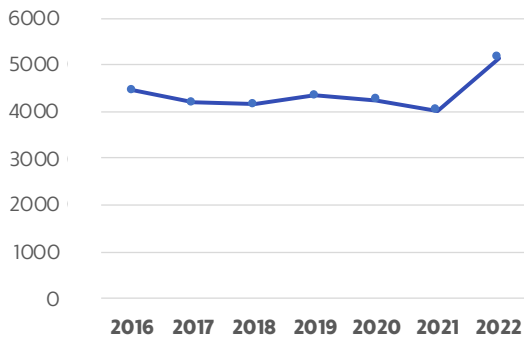
The graph below shows the evolution of these 4 categories over time. "Unity" and "Fundraising support" expenses have increased significantly.



Two external factors have also had a significant impact on operating expenditures.

- The COVID crisis sharply reduced travel and increased virtual meetings over internet (still on-going with more zoom calls)
- Salary expenditures decreased due to hiring difficulties.

expenses (K€)

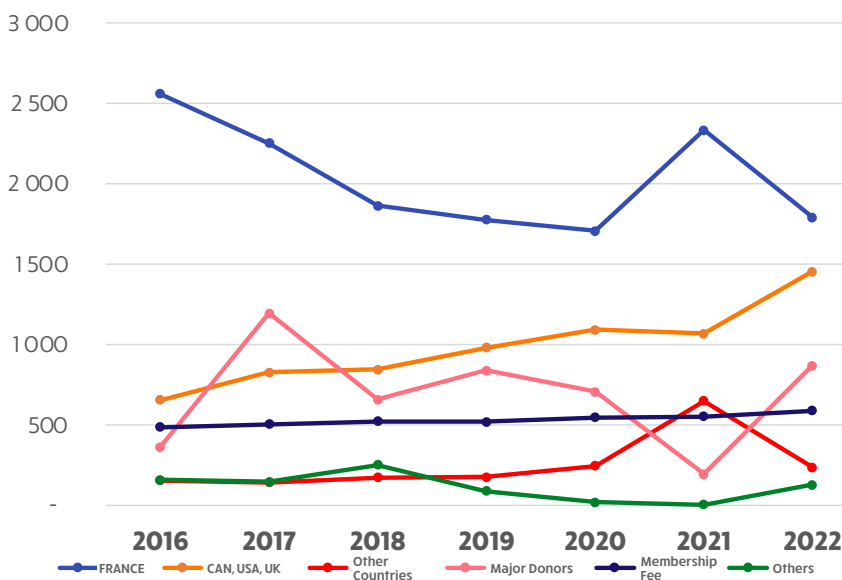


In summary, total expenses for L'Arche International were stable between 2017 and 2021 (with decreases offsetting increases) before an increase of €1M in 2022 (split between increased operating expenditures and one-off increase in Financial Aid).

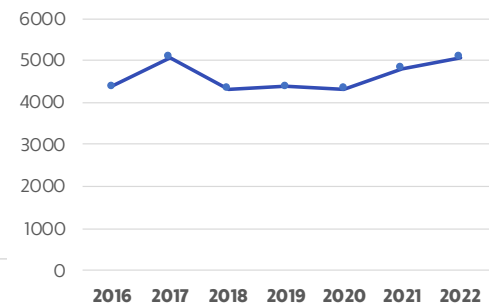
Revenues

The graph below illustrates the distribution and evolution of L'Arche International's revenues (categorized by origin):

revenues by origin (K€)



revenues (K€)



Overall, total revenues remained stable up until 2020 and then increased in 2021 and 2022. Efforts to strengthen fundraising teams in the countries on this mandate have yielded encouraging results and must be pursued. Considering the Covid crisis and Jean Vanier revelations context, this is even more remarkable.

- "La Fondation des Amis de l'Arche," located in France, is the leading contributor by a significant margin.
- The three other confirmed countries - Canada, U.S., and U.K. - have greatly increased their support to L'Arche International. Comparing 2022 to 2016, the U.S. tripled its contribution, and Canada doubled its contribution.
- Major donors represent an important part of L'Arche International financing for this period. They also offer an opportunity for L'Arche. Through contributing to L'Arche International, these donors hope to help L'Arche everywhere in the world to be more efficient. Their support is often over a few years. They ask in return for the establishment of indicators, standards, adequate organization, etc. They help with fundraising. They finance improvement projects. They are true partners. This approach helps L'Arche to progress. Professionalization and coordination of fundraisers has been a requisite. This approach was set up in the current mandate and must be continued and expanded upon.
- Apart from 2021, when exceptional bequests given to Switzerland and Belgium were shared with L'Arche International, the contribution of middle countries has progressed slowly.
- Contributions increased slightly to reach 600K€ in 2022.

Results

With the exception of 2022, revenues have significantly exceeded expenditures over this time period and generated very positive results.

	2016	2017	2018	2019	2020	2021	2022
Expenditures	4444	5244	4305	4340	4302	4868	5964
Revenues	4460	5755	4577	4527	4528	5651	5866
Results	16	511	272	187	226	782	-98

The 2022 result is negative due to a donation transfer delay initially planned for 2022 and postponed until 2023.

As a consequence of this series of positive results, L'Arche Internationale's balance sheet has significantly improved over this period.

At the end of 2022, L'Arche Internationale shows a level of equity that secures its operations. There is a need to establish a management policy for this reserve, in link with the countries.

	2016	2017	2018	2019	2020	2021	2022
ASSETS K€							
Non Current Assets	13	2	2	17	30	41	28
Current Assets	3012	3109	3638	3785	3736	5507	5909
Total	3025	3111	3640	3801	3755	5548	5937
EQUITY & LIABILITIES K€							
Equity	531	1042	1313	1500	1725	2506	2408
Provisions	6	168	142	160	178	188	202
Dedicated Funds	206	196	37	23	85	839	1042
Debt	2283	1074	2147	2117	1767	2015	2285
Total	3025	3111	3640	3801	3755	5548	5937

Summary

In a period overshadowed by the COVID crisis and revelations about Jean Vanier, the L'Arche Federation as a whole has been able to mobilize its donors, small or large, to ensure the financing of L'Arche International's operations and financial aid, as well as building a significant reserve fund.

This result has been achieved thanks to the generosity of donors but also through the development, professionalization, and increased coordination of fundraisers. This effort must be maintained and expanded in the next years to ensure L'Arche's development and sustainability.

To cover the service ambitions of L'Arche and to meet the legitimate demands of its donors, L'Arche must continue its efforts to develop and implement effective evaluation, learning and management tools.