

**SOCODEVI : Société  
de coopération pour le  
développement international**

Financial Statements  
As at March 31, 2023

Together with Independent Auditor's Report

**Mallette LLP**

501-1200 boulevard Guillaume-Couture  
Lévis QC G6W 0R9

Phone 418 839-7531

Fax 418 839-8415

Email [info.levis@mallette.ca](mailto:info.levis@mallette.ca)

## INDEPENDENT AUDITOR'S REPORT

---

To the members of  
**SOCODEVI : Société de coopération pour le développement international,**

### Opinion

We have audited the financial statements of **SOCODEVI : SOCIÉTÉ DE COOPÉRATION POUR LE DÉVELOPPEMENT INTERNATIONAL** (Company), which comprise the balance sheet as at March 31, 2023 and the statements of income, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, 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 Opinion

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 Company 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 opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

*Mallette L.L.P.*

1

Mallette L.L.P.  
Partnership of chartered professional accountants

Lévis, Canada  
September 22, 2023

---

<sup>1</sup> FCPA auditor, public accountancy permit No. A119066

# **SOCODEVI : Société de coopération pour le développement international**

## **STATEMENT OF INCOME**

For the year ended March 31,

**2023**

**2022**

### REVENUES

International program	<b>\$ 32,618,940</b>	\$ 30,617,563
Contributed services rendered by member institutions	<b>183,938</b>	330,762
Contributions from member institutions	<b>56,132</b>	45,510
Interest and other revenues	<b>427,196</b>	182,143

---

**33,286,206**      31,175,978

### EXPENSES

International program	<b>29,968,666</b>	28,332,478
Institutional expenses	<b>3,155,396</b>	2,622,302
Contributed services rendered by member institutions	<b>183,938</b>	330,763
Amortization of fixed assets	<b>49,893</b>	56,720
Amortization of intangible assets	<b>518</b>	740

---

**33,358,411**      31,343,003

### DEFICIENCY OF REVENUES OVER EXPENSES BEFORE SUBSIDIES

**(72,205)**      (167,025)

### CANADA EMERGENCY WAGE SUBSIDY AND CANADA EMERGENCY RENT SUBSIDY

---

-      188,503

### EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

**\$ (72,205)\$**      21,478

---

## SOCODEVI : Société de coopération pour le développement international

### STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31,

2023

2022

	Unappro- priated	Invested in fixed assets and intangible assets (Notes 5 and 6)	Appropriated to Contingency Fund	Appropriated to Special Projects Fund	Total	Total
<b>BALANCE</b> , beginning of year	\$ 5,142,312	\$ 166,379	\$ 1,798,270	\$ 1,183,161	\$ 8,290,122	8,268,644
Excess (deficiency) of revenues over expenses	(127,344)	(50,411)	60,839	44,711	(72,205)	21,478
Appropriations	(57,408)	57,408	-	-	-	-
<b>BALANCE</b> , end of year	\$ 4,957,560	\$ 173,376	\$ 1,859,109	\$ 1,227,872	\$ 8,217,917	8,290,122

# SOCODEVI : Société de coopération pour le développement international

## BALANCE SHEET

As at March 31,

2023

2022

### ASSETS

#### CURRENT ASSETS

Cash	\$ 3,073,247	\$ 4,120,397
Term savings, 2.5% to 4.2%	14,580,416	11,315,946
Accounts receivable (Note 3)	2,312,193	1,967,518
Prepaid expenses	1,348,403	1,374,383
Current portion of investments (Note 4)	241,865	1,576,377

21,556,124 20,354,621

INVESTMENTS (Note 4)

3,612,651 1,622,452

FIXED ASSETS (Note 5)

172,167 164,652

INTANGIBLE ASSETS (Note 6)

1,209 1,727

\$ 25,342,151 \$ 22,143,452

### LIABILITIES

#### CURRENT LIABILITIES

Accounts payable (Note 8)	\$ 1,471,413	\$ 2,044,149
Deferred revenue (Note 9)	14,803,071	11,229,925

16,274,484 13,274,074

PROVISIONS FOR FUTURE CONTRIBUTIONS

849,750 579,256

17,124,234 13,853,330

### NET ASSETS

Unappropriated	4,957,560	5,142,312
Invested in fixed assets and intangible assets	173,376	166,379
Appropriated to Contingency Fund	1,859,109	1,798,270
Appropriated to Special Projects Fund	1,227,872	1,183,161

8,217,917 8,290,122

\$ 25,342,151 \$ 22,143,452

### CONTINGENCIES AND COMMITMENT (Notes 10 and 11)

On behalf of the Board,

\_\_\_\_\_, Director

\_\_\_\_\_, Director

# **SOCODEVI : Société de coopération pour le développement international**

## **STATEMENT OF CASH FLOWS**

For the year ended March 31,

**2023**

**2022**

### **OPERATING ACTIVITIES**

Excess (deficiency) of revenues over expenses	\$	(72,205)	\$	21,478
Non-cash item				
Amortization of fixed assets and intangible assets		50,411		57,460
		(21,794)		78,938
Net change in non-cash working capital items		2,681,715		(1,256,899)
		2,659,921		(1,177,961)

### **INVESTING ACTIVITIES**

Acquisition of investments		(2,000,000)		(32,459)
Proceeds from the disposal of investments net of interest revenues		1,344,313		-
Acquisition of fixed assets and intangible assets		(57,408)		(46,340)
		(713,095)		(78,799)

### **FINANCING ACTIVITY**

Change in provisions for future contributions		270,494		294,817
---	--	---------	--	---------

### **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

		2,217,320		(961,943)
CASH AND CASH EQUIVALENTS, beginning of year		15,436,343		16,398,286
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$</b>	<b>17,653,663</b>	<b>\$</b>	<b>15,436,343</b>

Cash and cash equivalents include:

Cash	\$	3,073,247	\$	4,120,397
Term savings, 2.5% to 4.2% (2022 - 0.25% to 0.7%)		14,580,416		11,315,946
	\$	17,653,663	\$	15,436,343

# **SOCODEVI : Société de coopération pour le développement international**

---

## **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2023

---

### **1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES**

The Company is a not-for-profit organization incorporated under Part II of the Canada Business Corporations Act. Along with its various lenders, through the involvement of its member institutions and through promotion of the cooperative and mutualism movements and other forms of associations, the Company contributes to sustainable development in partner countries with a view to empowering their inhabitants. The Company is exempt from taxes.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation of financial statements**

The Company's financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Principle of consolidation**

The Company has a consortium agreement with the Centre de coopération internationale en santé et développement and Lawyers Without Borders Canada for the project "Santé et droits des femmes, des adolescentes et des enfants (PLURIELLES)". Under this contract, concluded on July 30, 2021 by the parties, the Compagny holds 25% of rights, obligations, assets, proceeds and losses of the consortium.

The Company accounts for its participation in a consortium using the proportionate consolidation method.

#### **Use of estimates**

The preparation of financial statements in accordance 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 contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results may differ from these estimates.

#### **Currency translation**

Transactions concluded in other currencies are translated according to the temporal method. Therefore, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date, non-monetary assets and liabilities are translated at the historical rate and income statement items are translated at the exchange rate in effect at that date. All exchange gains and losses are current in nature and are included in the statement of income.



# **SOCODEVI : Société de coopération pour le développement international**

---

## **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2023

---

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Revenue recognition**

The Company follows the deferral method of accounting for contributions. Under this method, appropriated contributions are recognized as revenues in the same year as the related expenses are incurred. Unappropriated contributions are recognized as revenues in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

In accordance with contribution agreements entered into with different lenders, any non-spent or unjustified amount provided by these lenders to the Company must be returned to them, under the terms of the programs accepted by the lenders. No provision has been recognized in respect of amounts that could be returned.

Under some agreements entered into with lenders, the interest generated by their contributions must be used for the project and the interest that will not have been spent or justified must be returned to the lenders. This interest is accounted for as deferred revenue and transferred to the project's revenues when it is reinvested in the project. Any other interest income is included in "Interest and other revenues".

#### **Fund accounting**

Unappropriated net assets consist of the excesses of current and prior years, net of appropriations to other funds.

Net assets invested in fixed assets and intangible assets present the assets, liabilities, revenues and expenses related to fixed assets and intangible assets.

The Contingency Fund's purpose is to provide the Company with a sufficient reserve so that the Company will be able to meet its financial obligations towards its partners, lenders, suppliers and employees. Any increase in this fund must be ratified by the Board of Directors. Members will decide of the disposal and the use of the fund at the special meeting of members. Investment income from the Contingency Fund's resources is also presented in the Contingency Fund.

The Special Projects Fund's purpose is to provide the Company with financial resources so that the Company can foster and strengthen its development. Any increase, disposal and use of the fund must be ratified by the Board of Directors.

#### **Financial instruments**

##### Measurement of financial instruments

The Company initially measures its financial assets and liabilities at fair value, except for operations between related parties other than members of management, that it measures at cost.

Subsequently, it assesses all its financial assets and liabilities at cost after depreciation.

# **SOCODEVI : Société de coopération pour le développement international**

## **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2023

---

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial instruments (continued)**

##### Impairment of financial assets

Financial assets measured at cost are subject to an impairment test if there are any indications of impairment. The reduction in value amount is accounted for in the income statement. Already posted depreciation may be subject to value recovery to the extent of the improvement, either directly, or by adjusting the allowance account. The adjusted carrying amount shall not be greater than what it would have been at the time of the recovery if the depreciation had never been recognized. This recovery is accounted for in the income statement.

##### **Prepaid expenses**

Prepaid expenses have been given to local partners, local consultants, local employees, as well as Canadian employees working abroad to allow the realization of projects in countries of intervention. Prepaid expenses also include payments of an administrative nature.

##### **Fixed assets**

Fixed assets are accounted for at cost.

Amortization is calculated based on their life using the following methods and periods or rates:

	Amortization methods	Periods or rates
Leasehold improvements	straight-line	remaining term of the lease
Computer equipment	diminishing balance	30%
Furniture and office equipment	diminishing balance	20%
Rolling stock	straight-line	4 years

Fixed assets acquired as part of the international program are charged to the income statement since the Company does not remain the owner of these assets.

##### **Intangible assets**

Software is accounted for at cost.

Amortization is based on its useful life using the diminishing balance method at the rate of 30%.

##### **Deferred revenue**

Lenders' contributions, whose expenses related to the corresponding projects are not incurred, are accounted for as deferred revenue and transferred to income during the year in which the expenses are incurred.

# **SOCODEVI : Société de coopération pour le développement international**

## **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2023

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Contributions in the form of services rendered**

Contributions in the form of services rendered represent the value of the contribution provided by the Company's member institutions under its international program. This value was estimated from the daily rates recognized by Global Affairs Canada under its international program.

#### **Services received without consideration**

Income does not include the cost of services rendered through awareness and institutional activities by the directors, the employees and other reference people that are part of the Company's member institutions.

#### **Impairment of long-term assets**

Long-term assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds the undiscounted cash flows expected to result from their use and eventual disposition. An impairment loss should be measured as the amount by which the carrying amount of a long-term asset exceeds its fair value.

#### **Employee future benefits**

The Company offers a defined contribution plan to its employees.

Current service cost for the pension plan is accounted for in the statement of income in the year in which the contributions are payable by the employer. Past service costs are recognized in the year in which the plan is initiated or in the year in which a plan amendment is agreed to.

#### **Cash and cash equivalents**

The Company's cash and cash equivalents include cash and term savings.

### **3. ACCOUNTS RECEIVABLE**

	<b>2023</b>	2022
Contributions receivable	<b>\$ 1,691,850</b>	\$ 1,199,222
Allowance for doubtful accounts	-	50,006
	<b>1,691,850</b>	1,149,216
Contributions receivable from joint venture projects	<b>413,190</b>	330,636
Contributions receivable in partners' name	<b>109,101</b>	467,746
Other	<b>98,052</b>	19,920
	<b>\$ 2,312,193</b>	\$ 1,967,518

# **SOCODEVI : Société de coopération pour le développement international**

## **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2023

### **4. INVESTMENTS**

	<b>2023</b>	<b>2022</b>
<b>Contingency Fund and Special Projects Fund</b>		
<u>Investments at cost</u>		
Desjardins Term deposit certificate, at an annual compound rate of 3%, maturing in September 2024, non-redeemable before maturity	<b>\$ 107,076</b>	104,977
La Capitale Guaranteed investment certificates, at annual compound rates ranging from 0.8% to 4.15%, maturing until July 2026, non-redeemable before maturity	<b>1,490,532</b>	1,473,157
Union Vie Investment certificate, at annual compound rate of 1.6%, maturing in January 2024, redeemable at any time	<b>134,789</b>	1,465,810
Quebec International Solidarity Investment Fund Investment, at annual compound rate of 3%, which can be increased to 5% if the profitability of the Fund allows it, maturing in April 2030, non-redeemable before maturity	<b>40,000</b>	40,000
Term deposit certificate discharged during the year	<b>-</b>	114,885
	<b>1,772,397</b>	3,198,829
<u>Investment at fair value</u>		
SSQ Mutual funds	<b>2,082,119</b>	-
	<b>3,854,516</b>	3,198,829
Current portion	<b>241,865</b>	1,576,377
	<b>\$ 3,612,651</b>	\$ 1,622,452

# SOCODEVI : Société de coopération pour le développement international

## NOTES TO FINANCIAL STATEMENTS

As at March 31, 2023

### 5. FIXED ASSETS

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 176,998	\$ 173,859	\$ 3,139	-
Computer equipment	332,298	225,491	106,807	89,476
Rolling stock	40,090	40,090	-	-
Furniture and office equipment	231,314	169,093	62,221	75,176
	<b>\$ 780,700</b>	<b>\$ 608,533</b>	<b>\$ 172,167</b>	164,652

### 6. INTANGIBLE ASSETS

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
Software	\$ 89,263	\$ 88,054	\$ 1,209	1,727

### 7. CREDIT FACILITIES

The Company has an authorized credit facility of \$1,000,000, bearing interest at the prime rate. The credit facility is secured by all current and future accounts receivable, income from letters of guarantee in favour of the Company and investments held in any form for an amount of \$1,200,000. As at March 31, 2023, the credit facility was unused.

The Company also has a credit facility specific to forward currency exchange contracts and foreign currency options, for an authorized amount of \$60,000, bearing interest at the prime rate plus 3% and renewable annually. As at March 31, 2023, the credit facility is unused and secured by the term deposit certificate with a net carrying value of \$107,076.

### 8. ACCOUNTS PAYABLE

	2023	2022
Supplier accounts and accrued expenses	\$ 626,552	\$ 802,969
Contributions payable to partners	109,101	395,475
Accrued salaries and vacations	667,579	720,700
Amounts owed to the government		
Payroll deductions and contributions	68,181	125,005
	<b>\$ 1,471,413</b>	<b>\$ 2,044,149</b>

# **SOCODEVI : Société de coopération pour le développement international**

## **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2023

### **9. DEFERRED REVENUE**

	<b>2023</b>	<b>2022</b>
<b>BALANCE</b> , beginning of year	<b>\$ 9,750,073</b>	\$ 11,809,733
Receipts, interest granted and other variations	<b>35,193,113</b>	28,335,173
	<b>44,943,186</b>	40,144,906
Amounts transferred to income	<b>32,245,155</b>	30,394,833
<b>BALANCE</b> , end of year	<b>\$ 12,698,031</b>	\$ 9,750,073
Deferred revenue	<b>\$ 14,803,071</b>	\$ 11,229,925
Contributions receivable	<b>(1,691,850)</b>	(1,149,216)
Contributions receivable from joint venture projects	<b>(413,190)</b>	(330,636)
<b>BALANCE</b> , end of year	<b>\$ 12,698,031</b>	\$ 9,750,073

### **10. CONTINGENCIES**

The Company has accounted for a total amount of \$616,213 for the years 2021 and 2022 as subsidy revenues under the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Rent Subsidy (CERS) programs. These subsidies relate to applications that have not yet been examined by the government authorities.

### **11. COMMITMENT**

#### **Lease**

The Company has a lease commitment until 2028 for the rental of office space. The balance of the commitment under such lease is of \$559,877. Minimum payments payable over the next five years are as follows:

2024 -	\$	99,953
2025 -	\$	101,204
2026 -	\$	104,144
2027 -	\$	107,172
2028 -	\$	110,291

### **12. RELATED PARTY TRANSACTIONS**

The Company is related to the SOCODEVI Foundation for international development (Foundation), whose mission is to collect donations in order to financially support local communities and associative organizations (cooperatives and mutual organizations) in developing countries.

# **SOCODEVI : Société de coopération pour le développement international**

---

## **NOTES TO FINANCIAL STATEMENTS**

As at March 31, 2023

---

### **12. RELATED PARTY TRANSACTIONS (continued)**

The Company is related to the Foundation by its right to designate three of the seven directors and by the fact that it holds an economic interest in its activities. The Foundation allows the Company's member institutions to make donations to the Company's Southern partners, among other things. These donations are considered as a financial counterpart of the Company in its partnership program with Global Affairs Canada.

The Company has committed to providing the Foundation with the administrative services required for the realization of its activities, without receiving consideration in return.

### **13. FINANCIAL INSTRUMENTS**

#### **Currency risk**

The Company realizes some of its transactions in foreign currencies, especially in euros, US dollars, Malagasy Ariary, Colombian pesos and CFA francs. Consequently, the Company has a foreign currency exposure on certain assets. As at March 31, 2023, net financial assets denominated in foreign currencies and converted into Canadian dollars total \$2,830,437 (2022 - \$3,742,504). Given that currency risk is often taken on by funders in different projects, the Company considers that, as at March 31, 2023, only net assets of \$1,255,394 (2022 - \$2,501,917) are exposed to currency risk.

The Company has an agreement on forward currency exchange contracts and foreign currency options with a trading volume of \$1,000,000 for derivative contracts of a term not exceeding 24 months.

As at March 31, 2023, the Company had no active forward currency exchange contracts.

#### **Credit risk**

In the normal course of its activities, the Company monitors its accounts receivable. The Company does not believe it is exposed to higher than normal risks regarding its clients.

As at March 31, 2023, approximately 72% (2022 - 78%) of accounts receivable were due from three clients (2022 - three clients).

The risk of uncollectibility is mitigated by the fact that the amounts receivable are mainly from government organizations and government corporations.

#### **Interest rate risk**

The Company has credit facilities at variable rates. However, they are unused as at March 31, 2023.

Investments bear interest at fixed rates ranging from 0.8% to 5.5%. Consequently, the risks the Company is exposed to are minimal.

### **14. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the presentation used in the current year.