

SAVE A FAMILY PLAN

FINANCIAL STATEMENTS

MARCH 31, 2014

SAVE A FAMILY PLAN
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MARCH 31, 2014

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Independent Auditors' Report

To the Board of Directors of
Save A Family Plan

Report on the Financial Statements

We have audited the financial statements of Save A Family Plan as at March 31, 2014 which comprise the statement of financial position as at March 31, 2014, and the statements of revenue and expenditures, changes in 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 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.

Auditors' 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 auditors' 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations and other fundraising events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these donations and other fundraising events was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expense, assets and net assets balances.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Save A Family Plan as at March 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants, Licensed Public Accountants


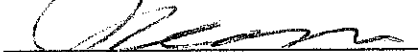
2510 Ouellette Avenue, Suite 203
Windsor, Ontario

June 3, 2014

SAVE A FAMILY PLAN
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

	Operating Fund \$	Burse Fund \$	Total 2014 \$	Total 2013 \$
ASSETS				
CURRENT ASSETS				
Cash	891,416	172,942	1,064,358	498,307
Marketable securities (notes 2,5)	3,247,676	3,967,579	7,215,255	7,728,323
Interest receivable	183,288		183,288	366,491
HST receivable	11,505		11,505	11,254
Cash surrender value of life insurance	24,611		24,611	23,613
Prepaid expenses	7,781		7,781	10,724
	4,366,277	4,140,521	8,506,798	8,638,712
CAPITAL ASSETS (note 4)	1,825		1,825	5,817
	4,368,102	4,140,521	8,508,623	8,644,529
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	15,215		15,215	9,351
Deferred DFATD contributions (note 7)	178,332		178,332	235,693
	193,547		193,547	245,044
NET ASSETS				
Unrestricted - uncommitted	429,164		429,164	463,645
Unrestricted - committed	3,743,567		3,743,567	3,743,567
	4,172,731		4,172,731	4,207,212
Invested in capital assets	1,824		1,824	5,817
Internally restricted - burse (note 6)		4,140,521	4,140,521	4,186,456
	4,174,555	4,140,521	8,315,076	8,399,485
	4,368,102	4,140,521	8,508,623	8,644,529

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

SAVE A FAMILY PLAN
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2014

	Operating Fund \$	Burse Fund \$	Total 2014 \$	Total 2013 \$
REVENUE				
Donations	3,660,897	15,000	3,675,897	3,529,924
Interest and dividends	312,631		312,631	299,017
Gain on disposal of investments	6,666		6,666	80,141
DFATD/SPED III	821,929		821,929	436,418
	4,802,123	15,000	4,817,123	4,345,500
EXPENDITURES				
Program				
Family Development Program, India	3,182,011		3,182,011	3,165,112
Community Development Programs:				
India - DFATD/SPED III	1,095,959		1,095,959	623,727
India - Special Projects	301,729		301,729	324,332
Haiti - Empowerment Project	26,650		26,650	
	4,606,349		4,606,349	4,113,171
SAFP programs	36,107		36,107	25,513
Total program expenditures	4,642,456		4,642,456	4,138,684
Administrative				
Administrative overhead, DFATD/SPED III	69,119		69,119	84,425
Administrative costs	377,400		377,400	361,923
Fundraising costs	385		385	770
(Gain) loss on foreign exchange	(19,763)		(19,763)	(3,645)
Total administrative expenditures	427,141		427,141	443,473
Amortization				
	3,993		3,993	4,010
	5,073,590		5,073,590	4,586,167
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES				
	(271,467)	15,000	(256,467)	(240,667)

SAVE A FAMILY PLAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

	Invested in Capital Assets \$	Restricted For Burse \$	Unrestricted \$	Total 2014 \$	Total 2013 \$
Balance, beginning of year	5,817	4,186,456	4,207,212	8,399,485	8,617,940
Excess (deficiency) of revenue over expenditures		15,000	(271,467)	(256,467)	(240,667)
Net change in investment in capital assets	(3,993)		3,993		
Unrealized increase in market value of securities, cumulative net			172,058	172,058	22,210
Fund transfers (note 2)		(60,935)	60,935		
Balance, end of year	1,824	4,140,521	4,172,731	8,315,076	8,399,483

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 4201456
 + 98080 see 2012FY
4299536
 - 159015 tpf to General Fund 20yr
4140521

159015
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60935

SAVE A FAMILY PLAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	Operating Fund \$	Burse Fund \$	Total 2014 \$	Total 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (deficiency) of revenue over expenditures	(271,467)	15,000	(256,467)	(240,664)
Non-cash items included in the determination of net earnings (loss):				
Amortization	3,993		3,993	4,010
	(267,474)	15,000	(252,474)	(236,654)
Changes in non-cash working capital				
Decrease (increase) in interest receivable	183,203		183,203	(29,924)
Decrease (increase) in other receivables	(251)		(251)	(810)
Decrease (increase) in cash surrender value of life insurance policy	(998)		(998)	5,603
Decrease (increase) in prepaid expenses	2,943		2,943	
Increase (decrease) in accounts payable and accrued liabilities	5,863		5,863	(4,616)
Increase (decrease) in deferred DFATD contributions	(57,361)		(57,361)	235,693
Net changes in non-cash working capital	133,399		133,399	205,946
	(134,075)	15,000	(119,075)	(30,708)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease (increase) in marketable securities (net)	528,068	(15,000)	513,068	(155,084)
Unrealized increase (decrease) in market value of securities	172,058		172,058	22,210
	700,126	(15,000)	685,126	(132,874)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	566,051		566,051	(163,582)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	498,307		498,307	661,889
CASH AND CASH EQUIVALENTS, END OF YEAR	1,064,358		1,064,358	498,307
Cash and cash equivalents comprised of:				
Cash in bank	1,064,358		1,064,358	498,307

SAVE A FAMILY PLAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

1. ORGANIZATION

Save A Family Plan is incorporated without share capital under the laws of Canada. It supports sustainable and participatory Family and Community Development Programs in India through partnership with the poor regardless of caste, creed or religious affiliation. It is a registered charity and as such is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

Donations are recorded as received using the restricted fund method of accounting for contributions. Interest income is recorded when earned. Revenue from funding organizations is recognized in the period in which the corresponding costs are incurred and is subject to final determination by the funder based on actual expenditures. Any amount which may be repayable for prior year(s) will be adjusted in the future financial statements when any repayment is calculated.

Program expenditures

Program expenditures are recorded on an accrual basis for allocation to participating families or developmental projects.

Fund accounting

The financial statements of Save A Family Plan are maintained in accordance with principles of fund accounting. Accordingly, all financial transactions have been recorded and reported by the Operating Fund and the Burse Fund.

The Operating Fund accounts for program and administrative costs financed by grants, donations and all investment income.

The Burse Fund accounts for donations received under the burse plan. Donations received subsequent to March 31, 1992 are held in the Burse Fund for a period of twenty years, then at the beginning of the twenty-first year the funds are transferred to the Operating Fund. Donations received prior to this are retained indefinitely subject to the Board's discretion. Income earned on the Burse Fund is used to directly assist needy families in India with their basic human needs through grass-roots community based micro credit initiatives and income generation projects and is included in the Operating Fund.

The statement of financial position reports all the assets, liabilities and fund balances of both funds. Interfund balances have been eliminated. The statement of changes in net assets reports the revenue and expenditures of each fund.

Capital disclosures

Save A Family Plan defines its capital as the amounts included in its net assets. The organization's objective when managing its capital is to safeguard the organization's ability to continue as a going concern so that it can continue to operate in accordance with its charitable purposes. A portion of the organization's capital is internally restricted for the burse fund.

SAVE A FAMILY PLAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to Save A Family Plan's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Computer hardware and software	30%
Equipment	20%
Leasehold improvements	8%

Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets that are measured at fair value include: marketable securities. Financial assets measured at amortized cost include: cash, interest receivable, and HST receivable. Financial liabilities measured at amortized cost include: accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any resulting write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

The cash surrender value of life insurance is not within the scope of financial instruments under Canadian accounting standards for not-for-profit organizations. The cash surrender value of life insurance is adjusted annually for changes in the cash surrender amount and the change is recorded in the statement of income.

SAVE A FAMILY PLAN
NOTES TO FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

3. RISKS AND CONCENTRATIONS

The following analysis provides a measure of the company's exposure of risks and concentrations as of its year end:

Interest rate risk

Interest rate risk refers to the risk that the fair value of a financial instrument might be adversely affected by a change in interest rates. The organization is exposed to interest rate risk primarily through its investments in marketable securities. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating activities, by having an investment policy, and by using an investment advisor.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk primarily through its investments in marketable securities. In seeking to minimize other price risk, the organization has implemented an investment policy and uses an investment advisor.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to currency risk primarily through its investments in marketable securities and due to its expenditures in foreign countries such as India. In seeking to minimize currency risk, the organization monitors the foreign exchange rates, has implemented an investment policy and uses an investment advisor.

Market risk

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The organization is exposed to market risk primarily through its investments in marketable securities. In seeking to minimize market risk, the organization has implemented an investment policy and uses an investment advisor.

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4. CAPITAL ASSETS

The following is a summary of the capital assets and accumulated amortization.

	Cost \$	Accumulated Amortization \$	Net 2014 \$	Net 2013 \$
Computer software	106,818	106,818		
Computer hardware	58,144	58,144		
Leasehold improvements	29,688	29,483	205	525
Equipment	36,917	35,297	1,620	5,292
	<u>231,567</u>	<u>229,742</u>	<u>1,825</u>	<u>5,817</u>

5. MARKETABLE SECURITIES

Marketable securities are invested in Canada as follows:

	Face value \$	Cost \$	Market value \$
Fixed income securities maturing over the next 5 years as follows:			
2015	544,183	450,034	487,177
2016	512,300	299,808	351,869
2017	799,000	726,607	810,120
2018	825,445	662,092	694,094
2019	125,000	124,875	142,091
Thereafter	997,100	927,645	1,026,444
Marketable securities		<u>3,179,089</u>	<u>3,703,460</u>
	<u>3,803,028</u>	<u>6,370,150</u>	<u>7,215,255</u>

6. RESTRICTED BURSE FUNDS

Burse funds consist of the following:

	2014 \$	2013 \$
Prior to 1992	1,434,329	1,434,329
Post 1992	2,349,111	2,752,127
	<u>3,783,440</u>	<u>4,186,456</u>

Interest earned on these funds totaled \$101,029 during the year (2013 - \$132,616)

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7. DEFERRED CONTRIBUTIONS

Deferred DFATD contributions represents funding received in advance for the next fiscal year.

8. PROGRAMS

Save A Family Plan (Canada) exercises significant influence over Save A Family Plan (India) by virtue of its ability to appoint the President of the Board of Trustees of Save A Family Plan (India). Save A Family Plan (India) received payments of \$4,504,042 (2013 - \$4,070,146) from Save A Family Plan (Canada). These amounts are recorded at the exchanged amount. Save A Family Plan provided funding for sustainable grass-roots family and community based multi-sector programming including: housing, sanitation, education, income generation (entrepreneurial development), natural resource management and conservation (including drinking water systems/water wells and rainwater harvesting, watersheds, organic farming, waste management, pollution control, renewable energy/biogas and solar energy initiatives), gender equality, health and hygiene (including HIV/AIDS, TB and malaria initiatives), capacity building, good governance, human rights, child labour, disaster management and rehabilitation, and micro-credit.

9. DFATD PROGRAM

Save A Family Plan has a contribution agreement until March 31, 2016 with the Department of Foreign Affairs, Trade and Development Canada (DFATD) wherein DFATD funds 75% of the direct costs of the Sustainability through Participation, Empowerment and Decentralization in India (SPED III) program and Save A Family Plan contributes 25%.

10. DFATD ADMINISTRATION OVERHEAD

Included in revenue from DFATD is funding received for certain administrative costs. The related administrative costs have been reported separately as Administration Overhead.

11. COMMITTED NET ASSETS

This amount represents contributions received and not yet disbursed which are committed for program funding.