SAVE A FAMILY PLAN

FINANCIAL STATEMENTS

MARCH 31, 2018

SAVE A FAMILY PLAN
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MARCH 31, 2018

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Grant Thornton

Independent auditor's report

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To the board of directors of
Save A Family Plan

We have audited the accompanying financial statements of Save A Family Plan, which comprise the statement of financial position as at March 31, 2018 and the statements of revenues and expenditures and changes in net assets and cash flows for the year 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 auditor's judgement 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 in our audits is sufficient and appropriate to provide a basis for our 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 are 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 revenue over expenses, 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, 2018 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.

Other Matters

The financial statements of Save A Family Plan for the year ended March 31, 2017 were audited by another practitioner who expressed a qualified opinion on those financial statements on June 6, 2017.

Grant Thornton LLP

Windsor, Canada
June 14, 2018

Chartered Professional Accountants
Licensed Public Accountants

SAVE A FAMILY PLAN
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2018

	Operating Fund $	Burse Fund $	Total 2018 $	Total 2017 $
ASSETS				
CURRENT ASSETS				
Cash	338,299	106,099	444,398	388,773
Investments (notes 2,5)	5,842,791	3,393,785	9,236,576	8,223,529
Interest receivable	23,244		23,244	23,244
HST receivable	14,872		14,872	13,690
Cash surrender value of life insurance	28,594		28,594	27,673
Prepaid expenses	7,781		7,781	7,781
	6,255,581	3,499,884	9,755,465	8,684,690
TANGIBLE CAPITAL ASSETS (note 4)	281,986		281,986	32,405
	6,537,567	3,499,884	10,037,451	8,717,095
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	9,717		9,717	10,218
Deferred CSSAI contributions	99,189		99,189	
	108,906		108,906	10,218
NET ASSETS				
Unrestricted - uncommitted	2,315,733		2,315,733	1,327,631
Unrestricted - committed (note 8)	3,830,942		3,830,942	3,617,792
	6,146,675		6,146,675	4,945,423
Invested in capital assets	281,986		281,986	32,405
Internally restricted - burse (note 6)		3,499,884	3,499,884	3,729,049
	6,428,661	3,499,884	9,928,545	8,706,877
	6,537,567	3,499,884	10,037,451	8,717,095

APPROVED ON BEHALF OF THE BOARD:

Lois Cook Director

Bernardine Ketelaars Director

SAVE A FAMILY PLAN

STATEMENT OF REVENUE AND EXPENDITURES - OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2018

	2018 $	2017 $
REVENUES		
Donations	4,412,500	3,218,486
Interest and dividends	142,942	34,372
Realized loss on disposal of investments	(455,303)	(243,699)
Unrealized gain on investments	534,719	903,871
GAC/SPED III		175,000
	4,634,858	4,088,030
EXPENDITURES		
Program		
Family Development Program, India	2,543,649	2,659,588
Community Development Programs:		
India - GAC/SPED III		113,385
India - SPED IV	100,000	100,000
India - Special Projects	304,320	307,981
Haiti - Empowerment Project		32,607
	2,947,969	3,213,561
SAFP programs	28,338	28,608
Total program expenditures	2,976,307	3,242,169
Administrative		
Administrative costs	307,364	289,169
Total administrative expenditures	307,364	289,169
Other		
Amortization	419	175
Fundraising costs	2,205	686
Investment advisory fees	117,032	105,014
Loss (gain) on foreign exchange	9,863	(6,856)
Total other expenditures	129,519	99,019
	3,413,190	3,630,357
EXCESS OF REVENUE OVER EXPENDITURES	1,221,668	457,673

SAVE A FAMILY PLAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	Invested in Capital Assets $	Restricted For Burse $	Unrestricted $	Total 2018 $	Total 2017 $
Balance, beginning of year	32,405	3,729,049	4,945,423	8,706,877	8,249,204
Excess of revenue over expenditures			1,221,668	1,221,668	457,673
Net change in investment in capital assets	249,581		(249,581)		
Fund transfers (note 2)		(229,165)	229,165		
Balance, end of year	281,986	3,499,884	6,146,675	9,928,545	8,706,877

SAVE A FAMILY PLAN
STATEMENT OF CASH FLOWS - OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2018

	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenditures	1,221,668	457,673
Non-cash items included in the determination of net earnings:		
Amortization	419	175
Unrealized gain on investments	534,719	903,871
	1,756,806	1,361,719
Changes in non-cash working capital		
Decrease (increase) in interest receivable		235
Decrease (increase) in other receivables	(1,182)	2,867
Decrease (increase) in cash surrender value of life insurance policy	(921)	(1,071)
Increase (decrease) in accounts payable and accrued liabilities	(501)	(8,873)
Increase (decrease) in deferred CSSAI contributions	99,189	
Net changes in non-cash working capital	96,585	(6,842)
	1,853,391	1,354,877
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease (increase) in marketable securities	(1,547,766)	(1,343,335)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of capital assets	(250,000)	(1,398)
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,625	10,144
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	388,773	378,629
CASH AND CASH EQUIVALENTS, END OF YEAR	444,398	388,773
Cash and cash equivalents comprised of:		
Cash in bank	444,398	388,773

1. ORGANIZATION

Save A Family Plan was founded in 1965 and was incorporated in 1986 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. Investment income is recorded when earned.

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 no longer receives donations as the burse plan was cancelled effective March 31, 2015. Donations received from March 31, 1996 to March 31, 2015 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 March 31, 1992 were retained indefinitely subject to the Board's discretion; however, commencing in the 2017 fiscal year, as per the board's decision, burse donors were informed that these funds will be used to continue to support families up to a six year period ending in fiscal 2022.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Tangible Capital assets

Tangible 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 tangible 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.

Tangible 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 assets and liabilities

Initial measurement

Upon initial measurement, the organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

Subsequent measurement

At each reporting date, the organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), 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.

With respect to financial assets measured at amortized cost, the organization assesses whether there are any indications of impairment. When there is an indication of impairment, and the organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

The organization's financial instruments consist of investments which are initially and subsequently recorded at fair value, as well as interest receivable, HST receivable, and accounts payable and accrued liabilities, which are initially recorded at fair value and are subsequently measured at cost or amortized cost.

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.

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. FINANCIAL INSTRUMENTS

The organization's main financial risk exposure is detailed as follows:

Market risk

The organization's financial instruments expose it to market risk, in particular, interest rate risk, resulting from its investing activities.

Interest rate risk

The organization is exposed to interest rate risk with respect to its marketable securities bearing fixed interest rates. 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.

4. TANGIBLE CAPITAL ASSETS

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

	Cost $	Accumulated Amortization $	Net 2018 $	Net 2017 $
Computer software	4,776	4,776		
Computer hardware	20,061	19,257	804	1,223
Computer software not yet in use	31,182		31,182	31,182
Leasehold improvements	29,059	29,059		
Leasehold improvements not subject to amortization	250,000		250,000	
Equipment	31,785	31,785		
	366,863	84,877	281,986	32,405

5. INVESTMENTS

Investments are as follows:

	Face value $	Cost $	Market value $
Fixed income securities maturing over the next 5 years as follows:			
2019	1,440,730	1,464,021	1,457,366
2020	1,073,000	1,089,765	1,095,680
2021	373,000	377,302	376,275
2022	300,259	295,419	303,399
Equities & Equity Funds			6,003,856
	3,186,989	3,226,507	9,236,576

6. RESTRICTED BURSE FUNDS

Burse funds consist of the following:

	2018 $	2017 $
Prior to 1992	1,434,329	1,434,329
Post 1992	2,065,555	2,294,720
	3,499,884	3,729,049

Realized and unrealized investment income earned on these funds totaled $180,788 during the year (2017 - $621,472).

7. 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 $2,947,969 (2017 - $3,053,394) 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.

8. COMMITTED NET ASSETS

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