SAVE A FAMILY PLAN

FINANCIAL STATEMENTS

MARCH 31, 2015

SAVE A FAMILY PLAN
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MARCH 31, 2015

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, 2015 which comprise the statement of financial position as at March 31, 2015, 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.

2510 Ouellette Ave. Suite 203 Windsor Ontario N8X 1L4 | 14 Victoria Ave. Essex Ontario N8M 1M3
OFFICE 519.966.4626 FAX 519.966.9206 | OFFICE 519.776.4869 FAX 519.776.4913
www.hyattlassaline.com

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 revenue 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, 2015 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.

Hyatt Lassaline LLP

Chartered Professional Accountants, Licensed Public Accountants

2510 Ouellette Avenue, Suite 203
Windsor, Ontario

June 3, 2015

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www.hyattlassaline.com
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SAVE A FAMILY PLAN
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	Operating Fund $	Burse Fund $	Total 2015 $	Total 2014 $
ASSETS				
CURRENT ASSETS				
Cash	54,308	306,419	360,727	1,064,358
Marketable securities (notes 2,5)	4,059,909	3,723,181	7,783,090	7,215,255
Interest receivable	23,872		23,872	22,306
HST receivable	14,553		14,553	11,505
Cash surrender value of life insurance	25,607		25,607	24,611
Prepaid expenses	7,781		7,781	7,781
	4,186,030	4,029,600	8,215,630	8,345,816
CAPITAL ASSETS (note 4)				1,824
	4,186,030	4,029,600	8,215,630	8,347,640
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	12,599		12,599	15,213
Deferred DFATD contributions				178,332
	12,599		12,599	193,545
NET ASSETS				
Unrestricted - uncommitted	421,866		421,866	268,182
Unrestricted - committed	3,751,565		3,751,565	3,743,567
	4,173,431		4,173,431	4,011,749
Invested in capital assets				1,825
Internally restricted - burse (note 6)		4,029,600	4,029,600	4,140,521
	4,173,431	4,029,600	8,203,031	8,154,095
	4,186,030	4,029,600	8,215,630	8,347,640

APPROVED ON BEHALF OF THE BOARD:

Lori Cote Director

Patrick Mahon Director

SAVE A FAMILY PLAN
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2015

	Operating Fund $	Burse Fund $	Total 2015 $	Total 2014 $
REVENUES				
Donations	3,199,582	35,000	3,234,582	3,675,896
Interest and dividends	298,846		298,846	274,391
Gain on disposal of investments	57,776		57,776	6,666
Unrealized gain on investments	211,035		211,035	172,058
DFATD/SPED III	611,410		611,410	821,929
	4,378,649	35,000	4,413,649	4,950,940
EXPENDITURES				
Program				
Family Development Program, India	2,979,555		2,979,555	3,182,011
Community Development Programs:				
India - DFATD/SPED III	635,770		635,770	1,095,959
India - Special Projects	300,216		300,216	301,729
Haiti - Empowerment Project	23,426		23,426	26,650
	3,938,967		3,938,967	4,606,349
SAFP programs	24,410		24,410	36,107
Total program expenditures	3,963,377		3,963,377	4,642,456
Administrative				
Administrative overhead, DFATD/SPED III	42,511		42,511	69,119
Administrative costs	373,475		373,475	377,400
Fundraising costs	655		655	385
(Gain) loss on foreign exchange	(17,129)		(17,129)	(19,763)
Total administrative expenditures	399,512		399,512	427,141
Amortization	1,824		1,824	3,993
	4,364,713		4,364,713	5,073,590
EXCESS OF REVENUE (DEFICIENCY) OVER EXPENDITURES	13,936	35,000	48,936	(122,650)

SAVE A FAMILY PLAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2015

	Invested in Capital Assets $	Restricted For Burse $	Unrestricted $	Total 2015 $	Total 2014 $
Balance, beginning of year, as previously reported	1,825	4,140,521	4,011,749	8,154,095	8,399,485
Prior period adjustment (note 11)					(122,740)
Balance, beginning of year as restated	1,825	4,140,521	4,011,749	8,154,095	8,276,745
Excess (deficiency) of revenue over expenditures		35,000	13,936	48,936	(122,650)
Net change in investment in capital assets	(1,825)		1,825		
Fund transfers (note 2)		(145,921)	145,921		
Balance, end of year		4,029,600	4,173,431	8,203,031	8,154,095

SAVE A FAMILY PLAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	Operating Fund $	Burse Fund $	Total 2015 $	Total 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (deficiency) of revenue over expenditures	13,936	35,000	48,936	(122,649)
Non-cash items included in the determination of net earnings (loss):				
Amortization	1,824		1,824	3,993
Unrealized gain on investments	(211,035)		(211,035)	(172,058)
	(195,275)	35,000	(160,275)	(290,714)
Changes in non-cash working capital				
Decrease (increase) in interest receivable	(1,566)		(1,566)	221,443
Decrease (increase) in other receivables	(3,048)		(3,048)	(251)
Decrease (increase) in cash surrender value of life insurance policy	(996)		(996)	(998)
Decrease (increase) in prepaid expenses				2,943
Increase (decrease) in accounts payable and accrued liabilities	(2,614)		(2,614)	5,867
Increase (decrease) in deferred DFATD contributions	(178,332)		(178,332)	(57,361)
Net changes in non-cash working capital	(186,556)		(186,556)	171,643
	(381,831)	35,000	(346,831)	(119,071)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease (increase) in marketable securities (net)	(321,800)	(35,000)	(356,800)	685,126
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(703,631)		(703,631)	566,055
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,064,358		1,064,358	498,303
CASH AND CASH EQUIVALENTS, END OF YEAR	360,727		360,727	1,064,358
Cash and cash equivalents comprised of:				
Cash in bank	360,727		360,727	1,064,358

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. 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.

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, accounts receivable, 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.

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.

4. CAPITAL ASSETS

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

	Cost $	Accumulated Amortization $	Net 2015 $	Net 2014 $
Computer software	106,818	106,818		
Computer hardware	58,144	58,144		
Leasehold improvements	29,688	29,688		205
Equipment	36,917	36,917		1,619
	231,567	231,567		1,824

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:			
2016	309,700	249,990	307,452
2017	669,000	590,952	680,619
2018	335,000	335,142	345,881
2019	389,000	394,749	422,203
2020	838,100	755,517	885,615
Thereafter	663,000	678,226	694,168
Marketable securities			
	3,203,800	3,004,576	3,335,938

6. RESTRICTED BURSE FUNDS

Burse funds consist of the following:

	2015 $	2014 $
Prior to 1992	1,434,329	1,434,329
Post 1992	2,595,271	2,706,192
	4,029,600	4,140,521

Interest earned on these funds totaled $48,373 during the year (2014 - $89,485)

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 $3,915,540 (2014 - $4,504,042) 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. 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%.

9. 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.

10. COMMITTED NET ASSETS

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

11. PRIOR PERIOD ADJUSTMENT

The prior period amounts have been adjusted to correct an overstatement of the interest receivable on the marketable securities. Accordingly, the interest receivable for the year ended March 31, 2014 has been decreased by $160,982. Also at March 31, 2014, interest revenue was decreased $38,242 and unrestricted net assets at March 31, 2013 was decreased by $122,740.

12. COMPARATIVE AMOUNTS

The comparative amounts have been restated to conform to presentation adopted in the current year.