SAVE A FAMILY PLAN

FINANCIAL STATEMENTS

MARCH 31, 2016

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MARCH 31, 2016

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, 2016 which comprise the statement of financial position as at March 31, 2016, 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.

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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, 2016 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, 2016

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SAVE A FAMILY PLAN
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	Operating Fund $	Burse Fund $	Total 2016 $	Total 2015 $
ASSETS				
CURRENT ASSETS				
Cash	214,121	164,508	378,629	360,727
Marketable securities (notes 2,5)	4,057,155	3,726,910	7,784,065	7,783,090
Interest receivable	23,479		23,479	23,872
HST receivable	16,557		16,557	14,553
Cash surrender value of life insurance	26,602		26,602	25,607
Prepaid expenses	7,781		7,781	7,781
	4,345,695	3,891,418	8,237,113	8,215,630
CAPITAL ASSETS (note 4)	31,182		31,182	
	4,376,877	3,891,418	8,268,295	8,215,630
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	19,091		19,091	12,599
NET ASSETS				
Unrestricted - uncommitted	2,240,221		2,240,221	421,866
Unrestricted - committed	2,086,383		2,086,383	3,751,565
	4,326,604		4,326,604	4,173,431
Invested in capital assets	31,182		31,182	
Internally restricted - burse (note 6)		3,891,418	3,891,418	4,029,600
	4,357,786	3,891,418	8,249,204	8,203,031
	4,376,877	3,891,418	8,268,295	8,215,630

APPROVED ON BEHALF OF THE BOARD:

Lou Lot Director

Patrick Mahon Director

SAVE A FAMILY PLAN
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2016

	Operating Fund $	Total 2016 $	Total 2015 $
REVENUES			
Donations	3,686,551	3,686,551	3,234,580
Interest and dividends	303,990	303,990	298,846
Gain on disposal of investments	196,854	196,854	57,776
Unrealized gain (loss) on investments	(501,286)	(501,286)	211,035
GAC/SPED III	644,843	644,843	611,410
	4,330,952	4,330,952	4,413,647
EXPENDITURES			
Program			
Family Development Program, India	2,742,411	2,742,411	2,979,555
Community Development Programs:			
India - GAC/SPED III	724,740	724,740	635,770
India - Special Projects	333,410	333,410	300,216
Haiti - Empowerment Project	17,317	17,317	23,426
	3,817,878	3,817,878	3,938,967
SAFP programs	35,833	35,833	24,410
Total program expenditures	3,853,711	3,853,711	3,963,377
Administrative			
Administrative overhead, GAC/SPED III	94,140	94,140	42,511
Administrative costs	208,563	208,563	268,468
Total administrative expenditures	302,703	302,703	310,979
Other			
Amortization			1,824
Fundraising costs	837	837	655
Investment advisory fees	104,720	104,720	105,007
Loss (gain) on foreign exchange	22,808	22,808	(17,129)
Total other expenditures	128,365	128,365	90,357
	4,284,779	4,284,779	4,364,713
EXCESS OF REVENUE OVER EXPENDITURES	46,173	46,173	48,934

SAVE A FAMILY PLAN

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

	Invested in Capital Assets $	Restricted For Burse $	Unrestricted $	Total 2016 $	Total 2015 $
Balance, beginning of year		4,029,600	4,173,431	8,203,031	8,154,095
Excess (deficiency) of revenue over expenditures			46,173	46,173	48,934
Net change in investment in capital assets	31,182		(31,182)		
Fund transfers (note 2)		(138,182)	138,182		
Balance, end of year	31,182	3,891,418	4,326,604	8,249,204	8,203,029

SAVE A FAMILY PLAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	Operating Fund $	Total 2016 $	Total 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess (deficiency) of revenue over expenditures	46,173	46,173	48,936
Non-cash items included in the determination of net earnings:			
Amortization			1,824
Unrealized gain on investments	(501,286)	(501,286)	(211,035)
	(455,113)	(455,113)	(160,275)
Changes in non-cash working capital			
Decrease (increase) in interest receivable	393	393	(1,566)
Decrease (increase) in other receivables	(2,004)	(2,004)	(3,048)
Decrease (increase) in cash surrender value of life insurance policy	(995)	(995)	(996)
Increase (decrease) in accounts payable and accrued liabilities	6,492	6,492	(2,610)
Increase (decrease) in deferred DFATD contributions			(178,332)
Net changes in non-cash working capital	3,886	3,886	(186,552)
	(451,227)	(451,227)	(346,827)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Decrease (increase) in marketable securities (net)	500,311	500,311	(356,800)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of capital assets	(31,182)	(31,182)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,902	17,902	(703,627)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	360,727	360,727	1,064,354
CASH AND CASH EQUIVALENTS, END OF YEAR	378,629	378,629	360,727
Cash and cash equivalents comprised of:			
Cash in bank	378,629	378,629	360,727

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 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 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.

SAVE A FAMILY PLAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

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

	Cost $	Accumulated Amortization $	Net 2016 $	Net 2015 $
Computer software	4,776	4,776		
Computer hardware	18,663	18,663		
Computer software not yet in use	31,182		31,182	
Leasehold improvements	29,059	29,059		
Equipment	31,785	31,785		
	115,465	84,283	31,182	

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	50,000	50,475	50,474
2017	741,000	743,750	754,552
2018	1,416,000	1,436,396	1,450,954
2019	699,000	705,795	728,987
2020	371,000	381,593	397,881
Accrued interest			23,479
Marketable securities			4,377,738
	3,277,000	3,318,009	7,784,065

6. RESTRICTED BURSE FUNDS
Burse funds consist of the following:

	2016 $	2015 $
Prior to 1992	1,434,329	1,434,329
Post 1992	2,457,089	2,595,271
	3,891,418	4,029,600

Interest earned on these funds totaled $130,982 during the year (2015 - $48,373)

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 $3,800,561 (2015 - $3,915,540) 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. GAC PROGRAM

Save A Family Plan has a contribution agreement until March 31, 2016 with Global Affairs Canada (GAC) (formally the Department of Foreign Affairs, Trade and Development Canada (DFATD)) wherein GAC 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%. GAC has held back $175,000 of funding pending approval of the end-of-program report. This will be recognized in income when approval is received.

9. GAC ADMINISTRATION OVERHEAD

Included in revenue from GAC 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. COMPARATIVE AMOUNTS

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