

Alberta Family Mediation Society

**Financial Statements
Year Ended March 31, 2016**

Alberta Family Mediation Society
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Year Ended March 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Family Mediation Society

I have audited the accompanying financial statements of Alberta Family Mediation Society, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian Auditing Standards. Those standards require that I 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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Basis for Qualified Opinion

In common with many not-for-profit organizations, Alberta Family Mediation Society derives revenue from memberships and conferences, which involve some collections of cash, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Alberta Family Mediation Society. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2016, current assets and net assets as at March 31, 2016.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Alberta Family Mediation Society as at March 31, 2016 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.

Edmonton , Alberta
June 3, 2016



Colin Presizniuk & Associates
Chartered professional accountants

Alberta Family Mediation Society
Statement of Operations
Year Ended March 31, 2016

	2016	2015
REVENUES		
Memberships fees	\$ 72,804	\$ 33,939
Conference fees	35,724	36,301
Website links	2,775	2,763
Interest income	13	43
	111,316	73,046
EXPENSES		
Membership expenses	34,248	3,454
Conference	27,074	25,681
Administration expenses	9,126	7,848
Bank charges	3,894	2,706
Professional fees	2,704	2,704
Telecommunications	2,489	2,452
Retreat expenses	1,609	1,951
Advertising	940	259
Website	910	820
Insurance	889	889
Office	246	720
Awards and gifts	79	79
	84,208	49,563
EXCESS OF REVENUES OVER EXPENSES	\$ 27,108	\$ 23,483

See notes to financial statements

Alberta Family Mediation Society
Statement of Changes in Net Assets
Year Ended March 31, 2016

	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 49,321	\$ 25,838
Excess of revenues over expenses	<u>27,108</u>	<u>23,483</u>
NET ASSETS - END OF YEAR (Note 2)	\$ 76,429	\$ 49,321

Alberta Family Mediation Society
Statement of Financial Position
March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 112,980	\$ 89,273
Accounts receivable	5,692	231
Prepaid expenses	9,039	6,866
	\$ 127,711	\$ 96,370
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,705	\$ 2,704
Deferred revenue <i>(Note 4)</i>	48,577	44,345
	51,282	47,049
NET ASSETS <i>(Note 2)</i>	76,429	49,321
	\$ 127,711	\$ 96,370

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

Alberta Family Mediation Society
Statement of Cash Flows
Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 27,108	\$ 23,483
	<u>27,108</u>	<u>23,483</u>
Changes in non-cash working capital:		
Accounts receivable	(5,461)	-
Prepaid expenses	(2,173)	(1,555)
Accounts payable and accrued liabilities	1	-
Deferred revenue (Note 4)	4,232	(22,985)
	<u>(3,401)</u>	<u>(24,540)</u>
INCREASE (DECREASE) IN CASH FLOW	23,707	(1,057)
Cash - beginning of year	<u>89,273</u>	<u>90,330</u>
CASH - END OF YEAR	\$ 112,980	\$ 89,273
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 13	\$ 43
Interest paid	\$ -	\$ -
Income taxes paid (Note 5)	\$ -	\$ -
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	<u>\$ 112,980</u>	<u>\$ 89,273</u>

See notes to financial statements

Alberta Family Mediation Society
Notes to Financial Statements
Year Ended March 31, 2016

1. NATURE OF OPERATIONS

Alberta Family Mediation Society (the "Society") was incorporated under the Societies Act of Alberta on June 27, 1984 and is an affiliate of Family Mediation Canada. The Society operates to provide leadership in the emerging field of family mediation throughout the Province of Alberta. The Society is dedicated to the promotion of mediation and other forms of non-adversarial resolution for family-related conflicts on a not-for-profit basis.

The Society is a tax-exempt organization for income tax purposes and has therefore made no provision for income taxes in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Tangible Capital assets

Selected capital assets are expensed in the year of acquisition.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents consist primarily of term deposits with a maturity period of three months or less from the date of acquisition. Because of the short term maturity of these deposits, their carrying amount approximates fair value.

Contributed services

Volunteer services contributed on behalf of the Society in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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Alberta Family Mediation Society
Notes to Financial Statements
Year Ended March 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Net assets

The Society's objectives, when managing assets, are to safeguard its ability to continue as a going concern with sufficient operating capital to pay monthly operating costs as they come due as well as to fund services and products provided to the Society.

The Society's net assets are comprised of its unrestricted General Fund.

In managing its assets, the Society prepares an annual budget of operating costs with expected funding sources. This budget is approved by the Society's Board of Directors and is monitored on a monthly basis by comparing budgeted expenses with actual expenses.

Revenue recognition

The Society follows the deferral method in accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and its collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Statement of cash flows

The Society uses the indirect method in preparing the Statement of Cash Flows.

3. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2016.

Credit risk

It is management's opinion that the Society is not exposed to significant credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. It is management's opinion that the Society is not exposed to significant interest rate risk through its normal operating activities.

Alberta Family Mediation Society
Notes to Financial Statements
Year Ended March 31, 2016

4. DEFERRED REVENUE

Deferred revenue consists of the following:

	<u>2016</u>		<u>2015</u>
Conference fees received in advance	\$ 25,357	\$	31,775
Membership fees received in advance	21,170		11,720
Website fees received in advance	<u>2,050</u>		<u>850</u>
	<u>\$ 48,577</u>	\$	<u>44,345</u>

5. INCOME TAXES

The Society, formed under Canadian provincial legislation, is a not-for-profit organization and is therefore exempt from tax under paragraph 149(1)(l) of the Income Tax Act.

Provided that substantially all of the Society's gross revenue (other than interest) is derived from dealing with its members, Revenue Canada is prepared to regard the excess of revenues over expenses as amounts required for the operations of the organization and not as income of the Society or its members. Accordingly, no provision for income taxes has been made in these financial statements.

6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
