

**ALBERTA FAMILY MEDIATION SOCIETY**

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**Financial Statements  
Year Ended March 31, 2018**

**ALBERTA FAMILY MEDIATION SOCIETY**

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**Year Ended March 31, 2018**

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2018 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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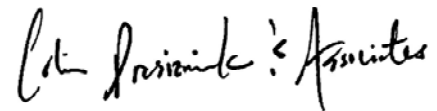
Basis for Qualified Opinion

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, 2018, current assets and net assets as at March 31, 2018.

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, 2018 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  
April 17, 2018



Colin Presizniuk & Associates\*  
Chartered professional accountants

**ALBERTA FAMILY MEDIATION SOCIETY****Statement of Operations****Year Ended March 31, 2018**

	<b>2018</b>	2017
<b>REVENUES</b>		
Memberships fees	\$ 30,610	\$ 40,672
Training fees	8,198	-
Website links	3,100	2,850
Interest	19	9
Conference fees	-	29,132
	<u>41,927</u>	<u>72,663</u>
<b>EXPENSES</b>		
Administration expenses	11,640	9,230
Membership expenses	9,887	10,151
Website	8,458	1,121
Training	6,980	-
Advertising	4,036	-
Professional fees	2,704	2,704
Bank charges	2,320	1,143
Sundry and supplies	1,821	749
Retreat expenses	1,158	662
Telecommunications	1,087	926
Insurance	887	889
Conference	-	34,252
	<u>50,978</u>	<u>61,827</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (9,051)</b>	<b>\$ 10,836</b>

**ALBERTA FAMILY MEDIATION SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2018**

	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 87,265</b>	\$ 76,429
Excess (deficiency) of revenues over expenses	<u>(9,051)</u>	<u>10,836</u>
<b>NET ASSETS - END OF YEAR (Note 2)</b>	<b>\$ 78,214</b>	\$ 87,265

**ALBERTA FAMILY MEDIATION SOCIETY****Statement of Financial Position****March 31, 2018**

	2018	2017
<b>ASSETS</b>		
CURRENT		
Cash	\$ 113,090	\$ 87,363
Prepaid expenses	4,805	5,026
	<b>\$ 117,895</b>	<b>\$ 92,389</b>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,704	\$ 2,704
Deferred revenue (Note 4)	36,977	2,420
	<b>39,681</b>	5,124
<b>NET ASSETS (Note 2)</b>	<b>78,214</b>	87,265
	<b>\$ 117,895</b>	<b>\$ 92,389</b>

**ON BEHALF OF THE BOARD**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

**ALBERTA FAMILY MEDIATION SOCIETY****Statement of Cash Flows****Year Ended March 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (9,051)	\$ 10,836
	<u>(9,051)</u>	<u>10,836</u>
Changes in non-cash working capital:		
Accounts receivable	-	5,692
Prepaid expenses	221	4,013
Accounts payable and accrued liabilities	-	(1)
Deferred revenue ( <i>Note 4</i> )	34,557	(46,157)
	<u>34,778</u>	<u>(36,453)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>25,727</b>	<b>(25,617)</b>
Cash and cash equivalents - beginning of year	<u>87,363</u>	<u>112,980</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 113,090</b>	<b>\$ 87,363</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	<u>\$ 113,090</u>	<u>\$ 87,363</u>



# ALBERTA FAMILY MEDIATION SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2018

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### 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.

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### 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, 2018

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### 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.

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### 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, 2018.

#### **Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from members. In order to reduce its credit risk, the Society conducts regular reviews of its existing members' credit performance. The Society has a significant number of members which minimizes concentration of 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. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating activities.

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# ALBERTA FAMILY MEDIATION SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2018

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### 4. DEFERRED REVENUE

Deferred revenue consists of the following:

	<u>2018</u>	<u>2017</u>
Training fees received in advance	\$ 19,800	\$ -
Conference fees received in advance	11,936	-
Membership fees received in advance	5,241	2,120
Website fees received in advance	-	300
	<u>\$ 36,977</u>	<u>\$ 2,420</u>

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### 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.

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### 6. COMPARATIVE FIGURES

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

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