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**ALBERTA FAMILY MEDIATION SOCIETY**

**Financial Statements**

**Year Ended March 31, 2020**

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**ALBERTA FAMILY MEDIATION SOCIETY**

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**Year Ended March 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alberta Family Mediation Society

### *Qualified Opinion*

We have audited the financial statements of Alberta Family Mediation Society (the Society), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, 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.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the 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 the Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2020, current assets and net assets as at March 31, 2020.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Independent Auditor's Report to the Members of Alberta Family Mediation Society (continued)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
August 23, 2020



Ho LLP  
Chartered Professional Accountants

**ALBERTA FAMILY MEDIATION SOCIETY**

**Statement of Financial Position**

**March 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 15,359	\$ 47,248
Investments (Note 3)	35,000	35,000
Interest receivable	849	833
Prepaid expenses	346	8,073
	<u>\$ 51,554</u>	<u>\$ 91,154</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 2,704	\$ 2,704
Deferred revenue	600	2,800
	<u>3,304</u>	<u>5,504</u>
<b>NET ASSETS (Note 1)</b>	<u><b>48,250</b></u>	<u><b>85,650</b></u>
	<u><b>\$ 51,554</b></u>	<u><b>\$ 91,154</b></u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**ALBERTA FAMILY MEDIATION SOCIETY****Statement of Operations****Year Ended March 31, 2020**

	<b>2020</b>	2019
<b>REVENUES</b>		
Memberships fees	\$ 35,435	\$ 30,654
Training fees	16,200	61,500
Conference fees	7,450	13,799
Interest	429	841
	<b>59,514</b>	<b>106,794</b>
<b>EXPENSES</b>		
Conference	40,227	20,320
Training	22,831	45,997
Membership expenses	9,722	7,601
Administration expenses	9,266	9,410
Advertising	6,060	4,856
Website	2,832	2,813
Professional fees	2,704	2,704
Telecommunications	1,366	1,124
Insurance	891	889
Retreat expenses	461	487
Bank charges	315	700
Sundry and supplies	162	2,383
Awards and gifts	77	74
	<b>96,914</b>	<b>99,358</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (37,400)</b>	<b>\$ 7,436</b>

**ALBERTA FAMILY MEDIATION SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2020**

	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 85,650</b>	\$ 78,214
Excess (deficiency) of revenues over expenses	<u>(37,400)</u>	<u>7,436</u>
<b>NET ASSETS - END OF YEAR (Note 1)</b>	<b>\$ 48,250</b>	\$ 85,650

**ALBERTA FAMILY MEDIATION SOCIETY****Statement of Cash Flows****Year Ended March 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (37,400)	\$ 7,436
	<u>(37,400)</u>	<u>7,436</u>
Changes in non-cash working capital:		
Interest receivable	(16)	(833)
Prepaid expenses	7,727	(3,268)
Deferred revenue	<u>(2,200)</u>	<u>(34,177)</u>
	<u>5,511</u>	<u>(38,278)</u>
Cash flow from operating activities	<u>(31,889)</u>	<u>(30,842)</u>
<b>INVESTING ACTIVITY</b>		
Net change of investments (Note 3)	-	(35,000)
Cash flow from (used by) investing activity	<u>-</u>	<u>(35,000)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(31,889)</b>	<b>(65,842)</b>
Cash and cash equivalents - beginning of year	<u>47,248</u>	<u>113,090</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Note 1)</b>	<b>\$ 15,359</b>	<b>\$ 47,248</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash (Note 1)	<u>\$ 15,359</u>	<u>\$ 47,248</u>



# ALBERTA FAMILY MEDIATION SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2020

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### 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 tax exempt under paragraph 149(1)(l) of the Income Tax Act and, therefore, has made no provision for federal income taxes in these financial statements.

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### 1. 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).

#### Capital assets

Assets are capitalized when deemed material; other assets are expensed in the year of acquisition.

#### Cash and short term investments

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, 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.

#### 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.

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# ALBERTA FAMILY MEDIATION SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

Alberta Family Mediation Society follows the deferral method of 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 received or receivable if the amount to be received can be reasonably estimated and 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.

### 2. 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, 2020.

#### *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.

### 3. INVESTMENTS

Investments consist of:

	<u>2020</u>	<u>2019</u>
BMO guaranteed investment certificate (annual interest rate at 2.70%; matures May 6, 2020)	\$ 15,000	\$ -
BMO guaranteed investment certificate (annual interest rate at 2.70%; matures May 6, 2020)	10,000	-
BMO guaranteed investment certificate (annual interest rate at 2.70%; matures May 6, 2020)	10,000	-
BMO guaranteed investment certificate (annual interest rate at 2.60%; matured May 1, 2019)	-	15,000
BMO guaranteed investment certificate (annual interest rate at 2.60%; matured May 1, 2019)	-	10,000
BMO guaranteed investment certificate (annual interest rate at 2.60%; matured May 1, 2019)	-	10,000
	<u>\$ 35,000</u>	<u>\$ 35,000</u>

Any change in value is reflected as accrued interest.

**ALBERTA FAMILY MEDIATION SOCIETY**

**Notes to Financial Statements**

**Year Ended March 31, 2020**

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**4. COMPARATIVE FIGURES**

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

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