Family Mediation Canada
Financial Statements
March 31, 2017
(Unaudited)

Review Engagement Report

To the Members of Family Mediation Canada:

We have reviewed the statement of financial position of Family Mediation Canada as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

MNP LLP

Waterloo, Ontario

September 26, 2017

Chartered Professional Accountants

Licensed Public Accountants

MNP

Family Mediation Canada
Statement of Financial Position
As at March 31, 2017
(Unaudited)

	2017	2016
Assets		
Current		
Cash	**62,346**	63,315
Marketable securities *(Note 3)*	**5,088**	5,043
Accounts receivable *(Note 4)*	**4,815**	2,972
Prepaid expenses	**252**	252
	72,501	71,582
Capital assets *(Note 5)*	**299**	407
	72,800	71,989
Liabilities		
Current		
Accounts payable and accruals	**5,178**	5,099
Deferred revenue	**43,056**	43,964
	48,234	49,063
Net Assets	**24,566**	22,926
	72,800	71,989

Approved on behalf of the Board

Director **Director**

The accompanying notes are an integral part of these financial statements

Family Mediation Canada
Statement of Operations
For the year ended March 31, 2017
(Unaudited)

	2017	*2016*
Revenue		
Certification fees	**20,238**	18,092
Conference fees	**14,603**	17,990
Elder mediation certification fees	**1,600**	1,325
Interest income	**45**	43
Membership dues	**50,435**	55,984
Other	**685**	1,402
Webinar registrations	**14,829**	3,848
	102,435	98,684
Expenses		
Administrative staff costs	**48,850**	54,825
Amortization	**108**	153
Awards	**-**	2,226
Bad debts	**3,375**	5,575
Bank charges and interest	**3,389**	833
Board retreat	**-**	4,283
Certification	**5,437**	11,000
Conference and annual general meeting	**16,040**	14,036
Education	**8,458**	2,693
Elder mediation certification	**1,200**	2,779
Insurance	**1,517**	1,400
Office	**2,640**	6,075
Professional fees	**4,060**	3,775
Public outreach	**4,515**	1,289
Telephone	**1,206**	1,177
	100,795	112,119
Excess (deficiency) of revenue over expenses	**1,640**	(13,435)

The accompanying notes are an integral part of these financial statements

Family Mediation Canada
Statement of Changes in Net Assets
For the year ended March 31, 2017
(Unaudited)

	2017	*2016*
Net assets, beginning of year	**22,926**	36,361
Excess (deficiency) of revenue over expenses	**1,640**	(13,435)
Net assets, end of year	**24,566**	22,926

The accompanying notes are an integral part of these financial statements

Family Mediation Canada
Statement of Cash Flows
For the year ended March 31, 2017
(Unaudited)

	2017	*2016*
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	**1,640**	(13,435)
Amortization	**108**	153
	1,748	(13,282)
Changes in working capital accounts		
Accounts receivable	**(1,843)**	(1,301)
Accounts payable and accruals	**79**	256
Deferred revenue	**(908)**	(540)
Decrease in cash resources	**(924)**	(14,867)
Cash resources, beginning of year	**68,358**	83,225
Cash resources, end of year	**67,434**	68,358
Cash resources are composed of:		
Cash	**62,346**	63,315
Marketable securities	**5,088**	5,043
	67,434	68,358

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the Organization

Family Mediation Canada (the “Organization”) was incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act, and as such is exempt from income taxes.

The Organization is a national not-for-profit organization, and its purpose is to promote mediation and other forms of non-adversarial resolution for family conflict.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Organization 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. Endowment contributions are recognized as direct increases in net assets.

Membership dues and certification fees received are recognized as revenue over the term of the membership or certification. Any amounts received in advance are set up as deferred revenue.

Revenue from all other sources is recognized when it is earned and the underlying service has been performed, the amount can be reasonably estimated, and collection is reasonably assured.

Contributed services

A number of people have contributed varying amounts of time to the activities of the Organization without compensation. These financial statements do not reflect the value of those contributed services since no reliable basis exists for determining an appropriate amount to be recorded.

Financial instruments

The Organization recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the operating results for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost, and groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach of contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year operating results.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the operating results in the year the reversal occurs.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at the rates stated below, intended to amortize the cost of assets over their estimated useful lives.

One-half of the normal amortization is charged to operations in the year of acquisition.

	Rate
Computer equipment	30 % and 55 %
Office equipment	20 %

Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Accruals are estimated at year end, based on invoices received after year end or historical costs.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operating results in the periods in which they become known.

3. Marketable securities

	2017	*2016*
Measured at cost:		
Guaranteed investment certificate ("GIC"), bearing interest at 0.8% (2016 - 0.9%), due March 17, 2018	**5,088**	5,043

The GIC is pledged as security for a credit card issued to the Organization.

4. Accounts receivable

	2017	2016
Accounts receivable	**3,375**	5,575
Harmonized sales tax recoverable	**4,815**	2,972
	8,190	8,547
Allowance for doubtful accounts	**(3,375)**	(5,575)
	4,815	2,972

5. Capital assets

	Cost	**Accumulated amortization**	**2017 Net book value**	2016 Net book value
Computer equipment	**11,836**	**11,658**	**178**	256
Office equipment	**5,115**	**4,994**	**121**	151
	16,951	**16,652**	**299**	407

6. Commitments

The Organization has established a memorial fund whereby a bursary of $1,000 will be awarded biennially to a recipient.

Subsequent to year end, the Organization established a memorial program whereby an annual disbursement of $800 will be awarded to a recipient.

7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

The operations of the Organization necessitate the management of liquidity risk. Liquidity risk is the risk of being unable to meet anticipated daily financial obligations and fund future operational requirements. The Organization's objective is to ensure that it faces limited risk exposure in this area through requirements placed on the types and amounts of liquid assets that are required to be maintained in order to meet its current and future obligations. The Organization achieves this objective through the preparation and monitoring of annual operational budgets to assess current and future funding requirements. As well, the Organization holds its funds with a reputable financial institution. There has been no change in this risk exposure or the above objective, and policies and procedures used to manage this exposure during the year.

8. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.