Family Mediation Canada
Financial Statements
March 31, 2013
(Unaudited)

Review Engagement Report

To the Members of Family Mediation Canada:

We have reviewed the statements of financial position of Family Mediation Canada as at March 31, 2013, March 30, 2012 and April 1, 2011 and the statements of operations, changes in net assets, and cash flows for the years ended March 31, 2013 and March 30, 2012. Our reviews were 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 — Chartered Professional Accountants

October 1, 2013 — Licensed Public Accountants

Family Mediation Canada
Statement of Financial Position
As at March 31, 2013
(Unaudited)

	March 31 2013	*March 31 2012*	*April 1 2011*
Assets			
Current			
Cash	**82,394**	81,616	67,793
Accounts receivable	**6,412**	4,859	5,904
Prepaid expenses	**185**	185	243
	88,991	86,660	73,940
Capital assets *(Note 4)*	**1,100**	1,583	2,340
	90,091	88,243	76,280
Liabilities			
Current			
Accounts payable and accruals *(Note 5)*	**6,109**	10,176	6,742
Deferred revenue	**49,319**	53,774	58,441
	55,428	63,950	65,183
Net Assets			
Net assets, end of year	**34,663**	24,293	11,097
	90,091	88,243	76,280

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, 2013
(Unaudited)

	2013	*2012*
Revenue		
Membership dues	**55,988**	58,902
Certification fees	**19,140**	20,203
Other	**22,603**	12,286
	97,731	91,391
Expenses		
Administrative staff costs	**43,135**	43,675
Amortization	**483**	757
Education	**11,767**	6,950
Insurance	**1,108**	1,166
Certification	**3,992**	5,951
Office	**6,499**	6,436
Interest and bank charges	**3,379**	3,169
Public outreach	**11,054**	4,405
Internet and web page	**554**	482
Professional fees	**4,305**	3,845
Awards	**-**	439
Telephone	**1,085**	920
	87,361	78,195
Excess of revenue over expenses	**10,370**	13,196

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, 2013
(Unaudited)

	2013	*2012*
Net assets, beginning of year	**24,293**	11,097
Excess of revenue over expenses	**10,370**	13,196
Net assets, end of year	**34,663**	24,293

The accompanying notes are an integral part of these financial statements

Family Mediation Canada
Statement of Cash Flows
For the year ended March 31, 2013
(Unaudited)

	2013	*2012*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**10,370**	13,196
Amortization	**483**	757
	10,853	13,953
Changes in working capital accounts		
Accounts receivable	**(1,553)**	1,045
Prepaid expenses	**-**	58
Accounts payable and accruals	**(4,067)**	3,434
Deferred revenue	**(4,455)**	(4,667)
Increase in cash resources	**778**	13,823
Cash resources, beginning of year	**81,616**	67,793
Cash resources, end of year	**82,394**	81,616

The accompanying notes are an integral part of these financial statements

1. Organization

Family Mediation Canada ("the Organization") is a national not-for-profit organization, the purpose of which is to promote mediation and other forms of non-adversarial resolution for family conflict.

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.

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 30, 2012, and the opening ASNPO balance sheet as at April 1, 2011 (the Organization's date of transition to ASNPO).

In preparing these financial statements, the Organization has not elected to apply any of the transitional provisions permitted by CICA Handbook Sectrion 1501 *First-time adoption by not-for-profit organizations* at the date of transition to ASNPO.

The transition to ASNPO has not affected the statement of financial position, statement of operations or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

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.

All other sources of income are recognized as revenue when the underlying service has been performed, the amount can be reasonably estimated, and collectability is reasonably assured.

Capital assets

Capital assets are recorded at cost and amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	30-55 %
Office equipment	20 %

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

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.

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

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 CICA Handbook Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Corporation 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 year. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization 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 in 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 for the year the reversal occurs.

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 revenues 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 recorded at their estimated amounts 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 for the years in which they become known.

4. Capital assets

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Computer equipment	**11,836**	**11,030**	**806**	1,216
Office equipment	**5,115**	**4,821**	**294**	367
	16,951	**15,851**	**1,100**	1,583

5. Accounts payable and accruals

Included in accounts payable and accruals are government remittances payable of $933 (2012 - $933).

6. 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.

Credit risk

The operations of the Organization necessitate the management of credit risk. Credit risk is the potential for loss due to the failure to collect revenue due to the Organization. The maximum exposure to this risk is encompassed in the accounts receivable balance on the statement of financial position.