## E.A. Murdock, LLC

Certified Public Accountant

# & Align Advisory Services, LLC

November 15, 2021

### Independent Accountant's Review Report

To Board of Directors International Academy of Mediators Dallas, TX 75244

We have reviewed the accompanying financial statements of International Academy of Mediators (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of International Academy of Mediators and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

The accompanying supplementary schedules as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subject to the review procedures applied in the accountant's review of the basic financial statements, and we are not aware of any material modifications that should be made to the information in order for it to be in accordance with the accounting principles generally accepted in the United States of America. We have not audited the supplementary information and do not express an opinion on such information.

E.A. Murdock, LLC

**Certified Public Accountant** 

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Austin, TX

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### International Academy of Mediators Statements of Financial Position As of December 31, 2020 and 2019

	2020	2019		
ASSETS				
Cash and cash equivalents (Note 3)	\$ 348,656	\$	274,682	
Prepaid assets	 9,422		9,527	
Total assets	\$ 358,078	\$	284,209	
LIABILITIES AND NET ASSETS	_			
Deferred membership revenue	\$ 62,519	\$	51,188	
Total liabilities	62,519		51,188	
NET ASSETS (Note 4)				
Without donor restrictions	295,559		233,021	
Total net assets	295,559		233,021	
Total liabilities and net assets	\$ 358,078	\$	284,209	

# International Academy of Mediators Statement of Activities For the year ended December 31, 2020

	Without Donor Restrictions		
Operating activities			
REVENUES AND OTHER SUPPORT			
Membership dues	\$	136,486	
Program fees		18,193	
Deferred revenue		13,521	
Interest and dividends		653	
Total revenues and other support		168,853	
Expenses			
Conference events		5,476	
Supporting services:			
Management and general		100,839	
Total expenses		106,315	
Change in net assets from operations		62,538	
Net assets, beginning of year		233,021	
Net assets, end of year	\$	295,559	

# International Academy of Mediators Statement of Activities For the year ended December 31, 2019

	 out Donor strictions
Operating activities	
REVENUES AND OTHER SUPPORT	
Membership dues	\$ 128,713
Program fees	205,341
Interest and dividends	367
Total revenues and other support	334,421
Expenses Conference events	333,045
Supporting services:	
Management and general	1,532
Total expenses	334,577
Change in net assets from operations	(156)
Net assets, beginning of year	233,177
Net assets, end of year	\$ 233,021

### International Academy of Mediators Statement of Functional Expenses For the Year Ended December 31, 2020

	Program Services			Supporting Services			Total		
Awards	\$	-	\$	748		\$	748		
Bank and credit card fees				8,502			8,502		
Board Honorarium				10,000			10,000		
CLF program expense		254					254		
Committee				1,000			1,000		
Conference expense		2,500					2,500		
Corporate annual fee				50			50		
Insurance				2,937			2,937		
Management fees				64,020			64,020		
Miscellaneous				1,076			1,076		
Office supplies		2,103	310				2,413		
Postage							-		
Presidential discretionary fund				1,133			1,133		
Professional fees				640			640		
Recording and videotaping				100			100		
Sponsorhip				4,901		4,901			4,901
Subscription and listserv					1,043				1,043
Teleconference				423			423		
Telephone and fax expense				107			107		
Travel expense		619		2,598			3,217		
Website expense				1,251			1,251		
	\$	5,476	\$ 1	00,839		\$	106,315		

### International Academy of Mediators Statement of Functional Expenses For the Year Ended December 31, 2019

	Program Services		,	Supporting Services			7	Гotal
Awards	\$	1,571		\$	_	\$		1,571
Bank and credit card fees	7	13,727		*		т.		13,727
Board Honorarium		, 9,750						9,750
CLF program expense		,						-
Committee		12,162						12,162
Conference expense								-
Corporate annual fee		99						99
Insurance		2,756						2,756
Management fees		71,103						71,103
Miscellaneous		3,825			665			4,490
Office supplies		476						476
Postage								-
Presidential discretionary fund		398						398
Professional fees					867			867
Recording and videotaping								-
Sponsorhip		2,500						2,500
Subscription and listserv		638						638
Teleconference								-
Telephone and fax expense								-
Travel expense		2,393						2,393
Website expense		6,969						6,969
	\$	128,367		\$	1,532	\$ <b>=</b>		129,899

## International Academy of Mediators Statements of Cash Flows For the Years Ended December 31, 2020 and 2019

CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
Change in net assets  Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	62,537	(156)
(Increase) decrease in prepaid expenses	105	25,360
(Decrease) increase in accounts payable and accrued expenses	-	3,375
(Decrease) increase in deferred revenue	11,331	31,774
Net cash provided by (used in) operating activities	73,973	60,353
Cash and cash equivalents, beginning of year	274,682	214,329
Cash and cash equivalents, end of year	\$ 348,656	\$ 274,682

### Note 1 - Description of the Organization

The International Academy of Mediators (IAM) is a professional membership organization consisting of the most successful and highly trained professional mediators in the world. The IAM is an invitation only organization that adheres to the highest practice and ethical qualifications. IAM is highly respected for its education programs, which include internationally acclaimed speakers and cutting-edge mediation techniques. The mission of the International Academy of Mediators (IAM) is to promote excellence among the pre-eminent commercial mediators through educational enhancement, fellowship and the delivery of the highest ethical service.

#### Note 2 – Summary of Significant Accounting Policies

**Basis of presentation** – The financial statements of The IAM have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require The IAM to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of The IAM's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The IAM or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Measure of operations – The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to The IAM's membership dues and program fees revenues and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature. The board has designated a portion of unrestricted net assets for certificate of deposit investment. Interest earned on these investments totaled \$367.

**Cash and cash equivalents** – The IAM's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

#### Note 2 – Summary of Significant Accounting Policies (continued)

Concentrations of credit risk – Financial instruments that potentially subject The IAM to concentrations of credit risk consist principally of cash and cash equivalents and investments. The IAM maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The amount of uninsured cash as of December 31, 2020 and 2019, was approximately \$98,656 and \$24,682, respectively. The IAM's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The IAM has not experienced, nor does it anticipate, any losses with respect to such accounts.

**Property and equipment, net** – Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to seven years. The IAM's policy is to capitalize renewals and betterments acquired for greater than \$2,500 and expense normal repairs and maintenance as incurred. The IAM's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered. The IAM has no capitalized assets.

**Membership and program revenue recognition** - The IAM generates substantial amounts of revenues from providing membership services to its members through collection of membership dues and program fees from offering various programs to members throughout the year.

**Deferred Revenue** - Deferred revenue represents revenue that has been received or is receivable before it is earned (i.e., before the performance obligations are satisfied).

	2020	2019
Deferred revenue, beginning of year	\$ 51,188	\$ 19,413
Revenue recognized that was included in deferred revenue	(66,894)	(131,380)
Increases in deferred revenue due to cash received during the year	78,225	163,155
Deferred revenue, end of year	\$ 62,519	\$ 51,188

**Advertising costs** – The costs of advertising are expensed as incurred. There are no advertising cost for the years ended December 31, 2020 and 2019, respectively.

**Functional expenses** – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited.

**Use of estimates** – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### Note 2 – Summary of Significant Accounting Policies (continued)

**Income taxes** – The IAM is exempt from income tax under IRC section 501(c)(6), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The IAM has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The IAM is not classified as a private foundation.

### Note 3 - Availability and Liquidity

The IAM cash and cash equivalents consists of \$242,475 and \$274,683 is held in a FDIC insuranced checking account and in short-term investments, including a certificates of deposit \$80,493 and \$0 for the years ended December 31, 2020 and 2019, respectively.

#### Note 4 - Net Assets

Net assets without donor restrictions for the years ended December 31, 2020 and 2019 are as follows:

	2020			2019
Undesignated	\$	259,356	\$	210,340
Board-designated net assets		36,203		22,681
	\$	295,559	\$	233,021

The Board has designated funds to be set aside for investment to earn interest and scholorships.

### Note 5 – Subsequent Events

The IAM has evaluated subsequent events through November 15, 2021 which is the date the financial statements were available to be issued. The IAM is not aware of any material subsequent events.

### **SUPPLEMENTAL INFORMATION**

# International Academy of Mediators Statements of Revenue, Expenses and Changes in Nets Assets For the Years Ended December 31, 2020 and 2019

	2020		 2019
Revenue			
Membership dues	\$	136,486	\$ 128,713
Program fees		31,714	205,341
Interest income		653	367
Total revenue	\$	168,853	\$ 334,421
Expenses			
Program services		5,476	319,318
Supporting services		100,839	15,259
Total expenses		106,315	334,577
Increase (decrease) in net assets		62,538	 (156)
Net assets, beginning of the year		233,021	 233,177
Net assets, end of the year	\$	295,559	\$ 233,021

# International Academy of Mediators Statements of Cash Receipts and Disbursements For the Years Ended December 31, 2020 and 2019

		2020	2019		
Cash received from support activites:					
Membership dues	\$	136,486	\$	128,713	
Program fees		31,714		205,341	
Total cash received from support activities		168,200		334,054	
Cash received from other sources:					
Interest income	653		36		
Total cash received from other sources	653			367	
TOTAL CASH RECEIVED	\$	168,853	\$	334,421	
Cash disbursed:					
Program services		5,476		319,318	
Supporting services		100,839		15,259	
TOTAL CASH DISBURSED		106,315		334,577	
Excess of revenue collected over expenses paid		62,538		(156)	
Cash and cash equivalents, beginning of year		274,683		214,330	
Cash released from deferred membership and legacy fund		11,434		60,509	
Cash and cash equivalents, end of year	\$	348,655	\$	274,683	