

**BLOCK PARENT PROGRAM OF CANADA  
INC.**

FINANCIAL STATEMENTS  
(Unaudited - See Review Engagement Report)

October 31, 2013

# BLOCK PARENT PROGRAM OF CANADA INC.

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October 31, 2013

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## REVIEW ENGAGEMENT REPORT

To the Members of  
**Block Parent Program of Canada Inc.**

We have reviewed the statement of financial position of Block Parent Program of Canada Inc. as at October 31, 2013 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 enquiry, analytical procedures and discussion related to information supplied to us by the management.

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.



**Peter J. Stone CA Professional Corporation, Authorized to practise public accounting by The  
Institute of Chartered Accountants of Ontario  
Independent Member Firm of  
PORTER HETU INTERNATIONAL  
Bancroft, Ontario  
April 22, 2014**

**BLOCK PARENT PROGRAM OF CANADA INC.****STATEMENT OF OPERATIONS**

Year ended October 31, 2013

(Unaudited - See Review Engagement Report)

	2013	2012
<b>Revenues</b>		
Corporate sponsorship	\$ 79,250	\$ 93,750
Grants	22,950	22,950
Sales and other	10,518	6,213
Annual general meeting	2,600	318
Interest income	2,031	875
Membership dues	1,423	1,050
	118,772	125,156
<b>Expenditures</b>		
Wages and benefits	66,887	59,049
Rent	17,357	15,968
Annual general meeting and training symposium	10,778	9,238
Insurance	9,349	10,709
Office Printing & Supplies	5,808	11,530
BP Link	5,580	5,760
Communications	5,312	1,519
Telephone	3,426	3,130
Professional fees	2,500	4,001
Printing brochures and window signs	2,028	5,410
Postage and courier	1,059	2,131
Equipment rental	982	515
Memberships	830	-
Interest and bank charges	44	145
Marketing	-	11,234
	131,940	140,339
<b>Deficiency of revenues over expenditures</b>	<b>\$ (13,168)</b>	<b>\$ (15,183)</b>

The accompanying notes are an integral part of these financial statements

**BLOCK PARENT PROGRAM OF CANADA INC.****STATEMENT OF CHANGES IN NET ASSETS**

Year ended October 31, 2013

(Unaudited - See Review Engagement Report)

	2013	2012
Balance, beginning of year	\$ 153,594	\$ 168,777
Deficiency of revenues over expenditures	(13,168)	(15,183)
Balance, end of year	\$ 140,426	\$ 153,594

The accompanying notes are an integral part of these financial statements

**BLOCK PARENT PROGRAM OF CANADA INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**October 31, 2013**  
(Unaudited - See Review Engagement Report)

	2013	2012
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 19,288	\$ 37,405
Prepaid expenses	4,094	3,700
Cash in trust	200	-
HST receivable	4,055	5,895
	27,637	47,000
Investments - note 3	137,114	135,083
	<b>\$ 164,751</b>	<b>\$ 182,083</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities - note 4	\$ 5,457	\$ 4,921
Unearned revenue - note 5	12,500	15,250
	17,957	20,171
Funds held in trust - note 6	6,368	8,318
	24,325	28,489
<b>BALANCE</b>	<b>140,426</b>	<b>153,594</b>
	<b>\$ 164,751</b>	<b>\$ 182,083</b>

On behalf of the board

 Member

 Member

**BLOCK PARENT PROGRAM OF CANADA INC.****STATEMENT OF CASH FLOWS**

Year ended October 31, 2013

(Unaudited - See Review Engagement Report)

	2013	2012
<b>Operating activities</b>		
Deficiency of revenues over expenditures	\$ (13,168)	\$ (15,183)
Adjustment for		
Change in investments	(2,031)	(15,369)
	(15,199)	(30,552)
Change in non-cash working capital items		
Prepaid expenses	(394)	1,910
HST receivable	1,840	1,883
Accounts payable and accrued liabilities	536	(437)
Unearned revenue	(2,750)	(2,250)
	(15,967)	(29,446)
<b>Financing activity</b>		
Funds held in trust	(1,950)	2,069
<b>Decrease in cash</b>	(17,917)	(27,377)
<b>Cash, beginning of year</b>	37,405	64,782
<b>Cash, end of year</b>	<b>\$ 19,488</b>	<b>\$ 37,405</b>
<b>Cash consists of:</b>		
Cash	\$ 19,288	\$ 37,405
Cash in trust	200	-
	<b>\$ 19,488</b>	<b>\$ 37,405</b>

The accompanying notes are an integral part of these financial statements

# BLOCK PARENT PROGRAM OF CANADA INC.

## NOTES TO THE FINANCIAL STATEMENTS

October 31, 2013

(Unaudited - See Review Engagement Report)

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### 1. NATURE OF OPERATIONS

Block Parent Program of Canada Inc. is a registered charity that distributes public safety information across Canada through the promotion, interaction and development of educational materials and programs. The Organization is exempt from payment of income taxes under Section 149 of the Income Tax Act. The Organization's major sources of funding are from the Office of the Solicitor General and the Co-operators Insurance Company.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized as follows.

#### **Basis of presentation**

The organization follows the deferral method of accounting for not-for-profit organizations.

#### **Cash and cash equivalents**

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and highly liquid temporary investments usually with a maturity period of three months or less from the date of acquisition. Term deposits that the organization cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

#### **Investments**

Investments consist of Guaranteed Investment Certificates carried at cost with accrued interest. The funds are reinvested at maturity unless required for use in general operations or provincial programs.

#### **Revenue recognition**

Contributions related to specific programs are recognized as revenue in the year in which the specific program expenses are incurred. Unrestricted contributions from sponsors for general operations are amortized into revenue on a straight line basis over the twelve month period to which they relate. All other 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.



**BLOCK PARENT PROGRAM OF CANADA INC.****NOTES TO THE FINANCIAL STATEMENTS**

October 31, 2013

(Unaudited - See Review Engagement Report)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued****Contributed services**

Volunteers contributed time to assist the organization in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Financial instruments**

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and government remittances payable,

The organization has not designated any financial asset or financial liability to be measured at fair value.

**Accounting estimates**

The preparation of financial statements in accordance 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 amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**Property, plant and equipment**

The organization expenses its capital assets. During the current year, capital expenditures included \$ - (2012 - \$ -).

**3. INVESTMENTS**

	2013	2012
TD Bank GIC's, interest at 1.5% maturing on January 14, 2014	\$ 137,114	\$ 135,083

**BLOCK PARENT PROGRAM OF CANADA INC.****NOTES TO THE FINANCIAL STATEMENTS**

October 31, 2013

(Unaudited - See Review Engagement Report)

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2013	2012
Trade payables	\$ 3,176	\$ 4,826
Payroll liabilities	2,231	-
WSIB	50	95
	<u>\$ 5,457</u>	<u>\$ 4,921</u>

**5. UNEARNED REVENUE**

	2013	2012
Beginning balance	\$ 15,250	\$ 17,500
Less: amount recognized as revenue in the year	(15,250)	(17,500)
Add: amount received related to next year	12,500	15,250
	<u>\$ 12,500</u>	<u>\$ 15,250</u>

Deferred contributions represent funding received in the current period that is related to the subsequent period. Changes in the deferred contribution balance are shown above.

**6. FUNDS HELD IN TRUST**

These funds are held in trust for the Saskatchewan program. The program is currently being coordinated through the National office; expenses incurred by the Saskatchewan program are being financed from this trust.

**7. FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash, redeemable GICs, accounts receivable and accrued liabilities.. It is management's opinion that the organization is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

**BLOCK PARENT PROGRAM OF CANADA INC.****NOTES TO THE FINANCIAL STATEMENTS**

October 31, 2013

(Unaudited - See Review Engagement Report)

**8. CONTRACTUAL OBLIGATION**

The Organization is renting its office space under a long-term lease expiring March 31, 2018. The Organization paid \$19,613 (including HST) (2012 - \$18,044) for rent. The approximate amounts to be paid in rent until the expiration of the lease are as follows:

2014	\$	19,827
2015		20,200
2016		20,466
2017		20,466
2018		20,466
		<hr/>
		\$ 101,425

**9. ECONOMIC DEPENDENCE**

The Block Parent Program has entered into agreements with several entities for sponsorship of its operations. A grant is received annually, subject to the approval of the Solicitor General of Canada, in the amount of \$22,950. In addition, the organization receives a yearly corporate sponsorship from The Co-Operators in the amount of \$75,000 (2012 - \$93,750). As the Organization's main source of income is derived from these sponsorships, its ability to continue viable operations is dependent upon the extension of sponsorship agreements.

**10. ASSET RETIREMENT OBLIGATIONS AND IMPAIRMENT OF ASSETS**

The company has not adopted the asset retirement obligation policy.

The company has not adopted the impairment policy for long lived assets and long term liabilities.