



CHARTERED ACCOUNTANT

**The Blind Duck**  
(A Division of University of Toronto at  
Mississauga Students' Union)  
**Financial Statements**  
April 30, 2016

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CHARTERED ACCOUNTANT

## Independent Auditor's Report

To the Directors of  
The Blind Duck  
(A division of University of Toronto at Mississauga Students' Union)

### Report on the Financial Statements

I have audited the accompanying financial statements of The Blind Duck (A division of University of Toronto at Mississauga Students' Union), which comprise the statement of financial position as at April 30, 2016, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 of material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



CHARTERED ACCOUNTANT

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Blind Duck (A division of University of Toronto at Mississauga Students' Union) as at April 30, 2016 and of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Oakville, Canada  
October 29, 2016

Chartered Professional Accountant  
Chartered Accountant  
Licensed Public Accountant  
Licence No. 1-12080

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## The Blind Duck

(A division of University of Toronto at Mississauga Students' Union)

### Statement of Operations

Year Ended April 30,	2016	2015
Sales	\$ 432,589	\$ 427,343
Cost of sales	<u>267,323</u>	<u>290,544</u>
Gross profit	<u>165,266</u>	<u>136,799</u>
Operating expenditures		
Advertising and promotion	2,721	6,760
Bank charges	12,469	8,871
Cleaning	9,671	8,326
Depreciation	5,048	4,652
Entertainment	4,856	13,953
Equipment rental	6,694	4,680
Insurance	8,000	8,000
Office and general	23,571	16,426
Repairs and maintenance	8,376	17,979
Serving supplies	25,573	33,440
Telephone	3,373	3,837
Wages and benefits	<u>288,576</u>	<u>284,122</u>
	<u>398,928</u>	<u>411,046</u>
Excess of expenditures over revenues before other income	<u>(233,662)</u>	<u>(278,247)</u>
Other income		
Student Levy	109,769	105,805
Events	121,500	122,281
Miscellaneous	<u>13,605</u>	<u>17,244</u>
	<u>244,874</u>	<u>245,330</u>
Excess of revenues over expenditures (expenditures over revenues)	<u>\$ 11,212</u>	<u>\$ (32,917)</u>

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See accompanying notes to the financial statements.

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## **The Blind Duck**

(A division of University of Toronto at Mississauga Students' Union)

### **Statement of Changes in Net Assets**

Year Ended April 30,	2016	2015
Net assets, beginning of year	\$ 18,831	\$ 51,748
Excess of revenues over expenditures (expenditures over revenues)	<u>11,212</u>	<u>(32,917)</u>
Net assets, end of year	<u>\$ 30,043</u>	<u>\$ 18,831</u>

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See accompanying notes to the financial statements.

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## The Blind Duck

(A division of University of Toronto at Mississauga Students' Union)

### Statement of Financial Position

April 30, 2016 2015

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#### Assets

##### Current

Cash	\$ 11,431	\$ 35,868
Receivables	18,479	11,108
Inventory	3,617	4,574
Prepays	<u>4,828</u>	<u>4,828</u>
	38,355	56,378

Property and equipment (Note 3) 24,450 20,525

\$ 62,805 \$ 76,903

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#### Liabilities

##### Current

Payables and accruals (Note 4)	\$ 9,116	\$ 21,004
Due to UTMSU	<u>23,646</u>	<u>37,068</u>
	32,762	58,072

#### Net assets

Unrestricted 30,043 18,831

\$ 62,805 \$ 76,903

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On behalf of the board

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President

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Vice-President Internal & Services

See accompanying notes to the financial statements.

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## The Blind Duck

(A division of University of Toronto at Mississauga Students' Union)

### Statement of Cash Flows

Year Ended April 30,

2016

2015

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Cash derived from (applied to)

#### Operating

Excess of revenues over expenditures (expenditures over revenues)	\$ 11,212	\$ (32,917)
Depreciation	5,048	4,652
Changes in non-cash operating working capital (below)	<u>(31,724)</u>	<u>13,195</u>
	<u>(15,464)</u>	<u>(15,070)</u>

#### Investing

Purchase of property and equipment	<u>(8,973)</u>	<u>(4,485)</u>
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#### Financing

Capital lease obligation		<u>(8,258)</u>
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Net decrease in cash	(24,437)	(27,813)
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Cash, beginning of year	<u>35,868</u>	<u>63,681</u>
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Cash, end of year	<u>\$ 11,431</u>	<u>\$ 35,868</u>
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Changes in non-cash operating working capital

Receivables	\$ (7,371)	\$ 5,447
Inventory	957	(585)
Payables and accruals	(11,888)	(4,736)
Due to UTMSU	<u>(13,422)</u>	<u>13,069</u>
	<u>\$ (31,724)</u>	<u>\$ 13,195</u>

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See accompanying notes to the financial statements



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# **The Blind Duck**

(A division of University of Toronto at Mississauga Students' Union)

## **Notes to the Financial Statements**

April 30, 2016

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### **1. Form of organization**

The Blind Duck is an operating division of University of Toronto at Mississauga Students' Union ("Students' Union") which owns the assets and administers the operations of The Blind Duck. For financial statement presentation, the operations have been divided and separate audited financial statements have been prepared for both the Students' Union and The Blind Duck.

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### **2. Summary of significant accounting policies**

#### **Use of estimates**

The preparation of the 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, revenues and expenditures and disclosure of contingent assets and liabilities. Significant areas requiring the use of significant judgement include rates and basis of depreciation of property and equipment and the amounts included in receivables, prepaids and payables and accruals. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in the future periods could be significant.

#### **Accrual basis of accounting**

Revenue and expenses are recorded on the accrual basis whereby they are reflected in the accounts in the period which they have been earned and incurred respectively whether or not such transactions have been finally settled by the receipt or payment of money.

#### **Inventory**

Inventory is valued at the lower of cost and net realizable value.

#### **Depreciation**

Rates and basis of depreciation applied to write off the cost of the property and equipment over its estimated life are as follows:

Equipment	20%, declining balance
Computer	30%, declining balance

#### **Financial instruments**

The financial instruments of the organization are initially measured at fair value. All financial instruments are subsequently measured at amortized cost, adjusted by transaction costs, 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 revenue as investment income.

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## The Blind Duck

(A division of University of Toronto at Mississauga Students' Union)

### Notes to the Financial Statements

April 30, 2016

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#### 3. Property and equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Equipment	\$ 57,194	\$ 33,063	\$ 24,131	\$ 20,067
Computer	<u>3,286</u>	<u>2,967</u>	<u>319</u>	<u>458</u>
	<u>\$ 60,480</u>	<u>\$ 36,030</u>	<u>\$ 24,450</u>	<u>\$ 20,525</u>

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#### 4. Payables and accruals

	<u>2016</u>	<u>2015</u>
Trade payables	\$ 9,116	\$ 9,863
Government remittances	<u>          </u>	<u>11,141</u>
	<u>\$ 19,695</u>	<u>\$ 21,004</u>

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#### 5. Financial instruments

##### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's main credit risk relate to accounts receivable.

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#### 6. Comparative figures

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

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