



CHARTERED ACCOUNTANT

The Blind Duck
(A Division of University of Toronto at
Mississauga Students' Union)
Financial Statements
April 30, 2014

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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, 2014, 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, 2014 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 27, 2014

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

The Blind Duck

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

Statement of Operations

Year Ended April 30,	2014	2013
Sales	\$ 473,473	\$ 435,842
Cost of sales	<u>305,816</u>	<u>275,909</u>
Gross profit	<u>167,657</u>	<u>159,933</u>
Operating expenditures		
Advertising and promotion	2,625	1,850
Bank charges (Note 5)	8,616	7,187
Cleaning	5,350	5,435
Depreciation	5,290	3,973
Entertainment	10,945	5,888
Equipment rental	5,934	
Insurance	8,000	8,000
Office and general	17,057	12,811
Repairs and maintenance	7,379	3,376
Serving supplies	24,114	32,364
Telephone	1,922	2,195
Wages and benefits	<u>245,236</u>	<u>226,392</u>
	<u>342,468</u>	<u>309,471</u>
Excess of expenditures over revenues before other income	<u>(174,811)</u>	<u>(149,538)</u>
Other income		
Student Levy	88,256	80,935
UTMSU equipment subsidy		11,455
Events	123,524	102,533
Miscellaneous	<u>380</u>	
	<u>212,160</u>	<u>194,923</u>
Excess of revenues over expenditures	<u>\$ 37,349</u>	<u>\$ 45,385</u>

See accompanying notes to the financial statements.

The Blind Duck

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

Statement of Changes in Net Assets

Year Ended April 30,	2014	2013
Net assets, beginning of year	\$ 14,399	\$ (30,986)
Excess of revenues over expenditures	<u>37,349</u>	<u>45,385</u>
Net assets, end of year	<u>\$ 51,748</u>	<u>\$ 14,399</u>

See accompanying notes to the financial statements.

The Blind Duck

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

Statement of Financial Position

April 30,

2014

2013

Assets

Current

Cash	\$ 63,681	\$ 11,183
Receivables	16,555	694
Inventory	3,989	4,694
Prepays	<u>4,828</u>	<u>4,828</u>
	89,053	21,399

Property and equipment (Note 3)

20,693 25,984

\$ 109,746 \$ 47,383

Liabilities

Current

Payables and accruals (Note 4)	\$ 25,740	\$ 9,239
Due to UTMSU	24,000	12,539
Current portion of capital lease obligation (Note 5)	<u>3,285</u>	<u>2,947</u>
	53,025	24,725

Capital lease obligation (Note 5)

4,973 8,259
57,998 32,984

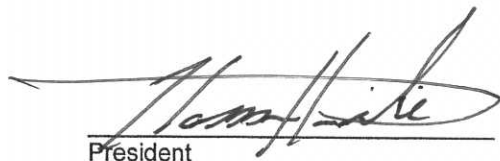
Net assets

Unrestricted

51,748 14,399

\$ 109,746 \$ 47,383

On behalf of the board



President



Vice-President Internal & Services

See accompanying notes to the financial statements.

The Blind Duck

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

Statement of Cash Flows

Year Ended April 30,

2014

2013

Cash derived from (applied to)

Operating

Excess of revenues over expenditures	\$ 37,349	\$ 45,385
Depreciation	5,290	3,973
Changes in non-cash operating working capital (below)	<u>12,806</u>	<u>(52,708)</u>
	<u>55,445</u>	<u>(3,350)</u>

Investing

Purchase of property and equipment		<u>(20,742)</u>
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Financing

Capital lease obligation	<u>(2,947)</u>	<u>11,206</u>
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Net increase (decrease) in cash 52,498 (12,886)

Cash, beginning of year 11,183 24,069

Cash, end of year \$ 63,681 \$ 11,183

Changes in non-cash operating working capital

Receivables	\$ (15,861)	\$ 3,954
Inventory	705	(1,133)
Prepays		(379)
Payables and accruals	16,501	(31,689)
Due to UTMSU	<u>11,461</u>	<u>(23,461)</u>
	<u>\$ 12,806</u>	<u>\$ (52,708)</u>

See accompanying notes to the financial statements

The Blind Duck

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

Notes to the Financial Statements

April 30, 2014

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.

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.

The Blind Duck

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Notes to the Financial Statements

April 30, 2014

3. Property and equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2014 Net Book Value</u>	<u>2013 Net Book Value</u>
Equipment	\$ 43,736	\$ 23,696	\$ 20,040	\$ 25,050
Computer	<u>3,286</u>	<u>2,633</u>	<u>653</u>	<u>934</u>
	<u>\$ 47,022</u>	<u>\$ 26,329</u>	<u>\$ 20,693</u>	<u>\$ 25,984</u>

4. Payables and accruals

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 24,928	\$ 8,988
Government remittances	<u>812</u>	<u>251</u>
	<u>\$ 25,740</u>	<u>\$ 9,239</u>

5. Capital lease obligation

The capital lease obligation is for kitchen equipment, purchased in the year, totalling \$13,000 and is included in property and equipment. Depreciation recorded during the year was \$2,340 and accumulated depreciation is \$3,640.

The lease is secured by the equipment and bears interest at 11.16%. Future minimum lease payments required under the capital lease are subject to harmonized sales tax and are as follows:

2015	\$ 4,025
2016	4,025
2017	<u>1,342</u>
	9,392
Less: amount representing interest	<u>1,134</u>
	8,258
Less: current portion	<u>3,285</u>
	<u>\$ 4,973</u>

Interest expense on the capital lease obligation for the year was \$1,078 and is included in bank charges.
