



CHARTERED ACCOUNTANT

**The Blind Duck**  
(A Division of University of Toronto at  
Mississauga Students' Union)  
**Financial Statements**  
April 30, 2013

## Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9



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, 2013, 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, 2013 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.

### Comparative Information

Without modifying my opinion, I draw attention to Note 3 to the financial statements which describes that The Blind Duck (A Division of University of Toronto at Mississauga Students' Union) adopted Canadian accounting standards for not-for-profit organizations on May 1, 2012 with a transition date of May 1, 2011. These standards were applied retrospectively by management on the comparative information in these financial statements, including the statements of financial position as at April 30, 2012 and May 1, 2011, and the statements of operations, changes in net assets and cash flows for the year ended April 30, 2012 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

Oakville, Canada  
October 28, 2013

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,

2013

2012

Sales	\$ 435,842	\$ 382,506
Cost of sales	<u>275,909</u>	<u>256,246</u>
Gross profit	<u>159,933</u>	<u>126,260</u>
Operating expenditures		
Advertising and promotion	1,850	2,529
Bank charges (Note 5)	7,187	6,751
Cleaning	5,435	2,996
Depreciation	3,973	2,307
Entertainment	5,888	7,651
Insurance	8,000	8,000
Office and general	12,811	14,674
Repairs and maintenance	3,376	4,204
Serving supplies	32,364	29,072
Telephone	2,195	2,215
Wages and benefits	<u>226,392</u>	<u>218,851</u>
	<u>309,471</u>	<u>299,250</u>
Excess of expenditures over revenues before other income and other item	<u>(149,538)</u>	<u>(172,990)</u>
Other income		
Student Levy	80,935	79,256
UTMSU equipment subsidy	11,455	
Events	102,533	66,017
Miscellaneous	<u>194,923</u>	<u>13,220</u>
	<u>194,923</u>	<u>158,493</u>
Excess of revenues over expenditures (expenditures over revenues) before other item	45,385	(14,497)
Other item		
Write-off of advances	<u>                    </u>	<u>28,500</u>
Excess of revenues over expenditures	<u>\$ 45,385</u>	<u>\$ 14,003</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,	2013	2012
Net assets, beginning of year	\$ (30,986)	\$ (44,989)
Excess of revenues over expenditures	<u>45,385</u>	<u>14,003</u>
Net assets, end of year	<u>\$ 14,399</u>	<u>\$ (30,986)</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,	2013	2012	May 1, 2011
<b>Assets</b>			
<b>Current</b>			
Cash	\$ 11,183	\$ 24,069	
Receivables	694	4,648	\$ 4,628
Inventory	4,694	3,561	3,224
Prepays	<u>4,828</u>	<u>4,449</u>	<u>4,449</u>
	21,399	36,727	12,301
Property and equipment (Note 4)	<u>25,984</u>	<u>9,215</u>	<u>11,522</u>
	<u>\$ 47,383</u>	<u>\$ 45,942</u>	<u>\$ 23,823</u>
<b>Liabilities</b>			
<b>Current</b>			
Bank overdraft			\$ 15,537
Payables and accruals	\$ 9,239	\$ 40,928	45,275
Due to UTMSU	12,539	36,000	8,000
Current portion of capital lease obligation (Note 5)	<u>2,947</u>	<u>76,928</u>	<u>68,812</u>
	24,725	76,928	68,812
Capital lease obligation (Note 5)	<u>8,259</u>	<u>76,928</u>	<u>68,812</u>
	32,984	76,928	68,812
<b>Net assets</b>			
Unrestricted	<u>14,399</u>	<u>(30,986)</u>	<u>(44,989)</u>
	<u>\$ 47,383</u>	<u>\$ 45,942</u>	<u>\$ 23,823</u>

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,

2013

2012

---

Cash derived from (applied to)

#### Operating

Excess of revenues over expenditures	\$ 45,385	\$ 14,003
Depreciation	3,973	2,307
Changes in non-cash operating working capital (below)	<u>(52,708)</u>	<u>23,296</u>
	<u>(3,350)</u>	<u>39,606</u>

#### Investing

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

#### Financing

Capital lease obligation	<u>11,206</u>	<u>          </u>
--------------------------	---------------	-------------------

Net (decrease) increase in cash (12,886) 39,606

Cash (bank overdraft), beginning of year 24,069 (15,537)

Cash, end of year \$ 11,183 \$ 24,069

---

Changes in non-cash operating working capital

Receivables	\$ 3,954	\$ (20)
Inventory	(1,133)	(337)
Prepays	(379)	
Payables and accruals	(31,689)	(4,347)
Due to UTMSU	<u>(23,461)</u>	<u>28,000</u>
	<u>\$ (52,708)</u>	<u>\$ 23,296</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, 2013

---

### **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 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

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

### Notes to the Financial Statements

April 30, 2013

---

#### 3. Adoption of Accounting Standards for Not-for-Profit Organizations

Effective May 1, 2012, The Blind Duck adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting and has adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). This framework is in accordance with Canadian generally accepted accounting principles. These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended April 30, 2013, the comparative information presented in these financial statements for the year ended April 30, 2012 and in the preparation of an opening statement of financial position at May 1, 2011, which is the organization's date of transition.

The organization issued financial statements for the year ending April 30, 2012 using generally accepted accounting principles prescribed by CICA Handbook – Accounting XFI. The effect of the adoption of ASNPO has had no impact on the previously reported assets, liabilities and net assets of the organization, and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of changes in net assets, statement of operations and statement of cash flows. Certain of the organization's presentation and disclosure included in these financial statements reflect the new presentation and disclosure requirements of ASNPO.

---

#### 4. Property and equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2013 Net Book Value</u>	<u>2012 Net Book Value</u>
Equipment	\$ 43,736	\$ 18,686	\$ 25,050	\$ 9,195
Computer	<u>3,286</u>	<u>2,352</u>	<u>934</u>	<u>20</u>
	<u>\$ 47,022</u>	<u>\$ 21,038</u>	<u>\$ 25,984</u>	<u>\$ 9,215</u>

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2012 Net Book Value</u>	<u>May 1, 2011 Net Book Value</u>
Equipment	\$ 24,076	\$ 14,881	\$ 9,195	\$ 11,493
Computer	<u>2,204</u>	<u>2,184</u>	<u>20</u>	<u>29</u>
	<u>\$ 26,280</u>	<u>\$ 17,065</u>	<u>\$ 9,215</u>	<u>\$ 11,522</u>

---

---

## The Blind Duck

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

### Notes to the Financial Statements

April 30, 2013

---

#### 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 \$1,300 and accumulated depreciation is \$1,300.

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:

2014	\$ 4025
2015	4025
2016	4025
2017	<u>1,342</u>
	13,417
Less: amount representing interest	<u>2,211</u>
	11,206
Less: current portion	<u>2,947</u>
	<u>\$ 8,259</u>

Interest expense on the capital lease obligation for the year was \$889 and is included in bank charges.

---