

**THE BLIND DUCK**  
**(A division of University of Toronto**  
**Mississauga Students' Union)**

**FINANCIAL STATEMENTS**

**AS AT**

**APRIL 30, 2017**

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GLENN • GRAYDON • WRIGHT LLP

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The Blind Duck (A division of University of Toronto Mississauga Students' Union) which comprise the statement of financial position as at June 30, 2017, 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 organization and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Blind Duck (A division of University of Toronto Mississauga Students' Union) as at April 30, 2017 and of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Other matter*

The financial statements of The Blind Duck (A division of University of Toronto Mississauga Students' Union) for the year ended April 30, 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 29, 2016.

GLENN GRAYDON WRIGHT LLP

Chartered Accountants  
Licensed Public Accountants  
Oakville, Ontario  
November 3, 2017

**THE BLIND DUCK**  
 (A division of University of Toronto Mississauga Students' Union)  
 Statement of financial position  
 As at April 30, 2017

	2017	2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 28,001	11,431
Accounts receivable	7,716	18,479
Inventory	7,492	3,617
Prepaid expenses	6,310	4,828
	49,519	38,355
<b>Property and equipment (Note 4)</b>	19,528	24,450
	\$ 69,047	62,805
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 42,033	9,116
Advances from University of Toronto Mississauga Students' Union	26,645	23,646
	68,678	32,762
<b>Net assets</b>		
Unrestricted	369	30,043
	\$ 69,047	62,805

Approved by the Board

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director



**THE BLIND DUCK****(A division of University of Toronto Mississauga Students' Union)****Statement of net assets****For the year ended April 30, 2017**

	2017	2016
<b>Net assets, beginning of year</b>	\$ 30,043	18,831
<b>Excess of (expenditure over revenue) revenue over expenditure for year</b>	(29,674)	11,212
<b>Net assets, end of year</b>	\$ 369	30,043



**THE BLIND DUCK**

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

**Statement of operations****For the year ended April 30, 2017**

	2017	2016
<b>Sales</b>	\$ 438,308	432,589
<b>Cost of sales</b>	286,924	267,323
<b>Gross profit</b>	151,384	165,266
<b>Expenditure</b>		
Advertising and promotion	2,035	2,721
Amortization	4,922	5,048
Bank charges	6,196	12,469
Cleaning	4,991	9,671
Entertainment	6,439	4,856
Equipment rental	5,474	6,694
Insurance	9,347	8,000
Office and general	24,307	23,571
Repairs and maintenance	3,883	8,376
Serving supplies	30,257	25,573
Telephone	4,247	3,373
Wages and benefits	309,197	288,576
	411,295	398,928
<b>Excess of expenditure over revenue before other income</b>	(259,911)	(233,662)
<b>Other income</b>		
Student levy	112,778	109,769
Events	102,307	121,500
Miscellaneous	15,152	13,605
	230,237	244,874
<b>Excess of (expenditure over revenue) revenue over expenditure for year</b>	\$ (29,674)	11,212



**THE BLIND DUCK****(A division of University of Toronto Mississauga Students' Union)****Statement of cash flows****For the year ended April 30, 2017**

	2017	2016
<b>Cash flows from (used in) operating activities</b>		
Excess of (expenditure over revenue)		
revenue over expenditure for year	\$ (29,674)	11,212
Adjustment for		
Amortization of property and equipment	4,922	5,048
	(24,752)	16,260
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	10,763	(7,371)
(Increase) decrease in inventory	(3,875)	957
Increase in prepaid expenses	(1,482)	
Increase (decrease) in accounts payable and accrued liabilities	32,917	(11,888)
Increase (decrease) in advances from University of Toronto Mississauga Students' Union	2,999	(13,422)
<b>Cash flows from (used in) operating activities</b>	<b>16,570</b>	<b>(15,464)</b>
<b>Cash flows from (used in) investing activities</b>		
Acquisition of property and equipment	-	(8,973)
<b>Cash flows used in investing activities</b>	<b>-</b>	<b>(8,973)</b>
<b>Net increase (decrease) in cash and cash equivalents during year</b>	<b>16,570</b>	<b>(24,437)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>11,431</b>	<b>35,868</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 28,001</b>	<b>11,431</b>



## THE BLIND DUCK

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

Notes to financial statements

As at April 30, 2017

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### 1. Purpose of the organization

The Blind Duck is an operating division of University of Toronto Mississauga Students' Union (the "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. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

#### a) Management 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

#### b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and net of bank overdrafts.

#### c) Basis of accounting

Revenue and expenditure are recorded on the deferral 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.

#### d) Inventory

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



## THE BLIND DUCK

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

Notes to financial statements

As at April 30, 2017

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### 2. Significant accounting policies - continued

#### e) Property and equipment

Purchased property, plant and equipment are recorded at acquisition cost. Contributed property, plant and equipment are recorded at their fair value at the date of contribution. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. Methods and rates used are:

Equipment  
20% diminishing balance basis

Computer  
30% diminishing balance basis

#### f) Revenue recognition

Sales are recognized as revenue at the time of sale as this represents when collection is reasonably assured.

### 3. Financial instruments

#### a) Fair value

The Students' Union initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

#### b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. The Students' Union is exposed to credit risk.

##### i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

The Students' Union is subject to credit risk. To mitigate this, the Students' Union actively manages and monitors its receivables. Bad debt experience has not been significant.





**THE BLIND DUCK**

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

Notes to financial statements

As at April 30, 2017

**3. Financial instruments - continued****c) Liquidity risk**

Liquidity risk is the risk that the Students' Union cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the Students' Union is not subject to significant liquidity risk. The Students' Union manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.

**4. Property and equipment**

		2017		2016
	Cost	Accumulated amortization	Net	Net
Equipment	\$ 57,194	37,889	19,305	24,131
Computer	3,286	3,063	223	319
	<u>\$ 60,480</u>	<u>40,952</u>	<u>19,528</u>	<u>24,450</u>

Amortization recorded during the year amounted to \$4,922.

**5. Accounts payable**

		2017	2016
Trade payables	\$	23,794	9,116
Government remittances payable		<u>18,239</u>	-
	\$	<u>42,033</u>	<u>9,116</u>

