



CHARTERED ACCOUNTANT

**Medium II Publications
Financial Statements**
April 30, 2009



CHARTERED ACCOUNTANT

Auditor's Report

To the Directors of
Medium II Publications

I have audited the statement of financial position of Medium II Publications as at April 30, 2009 and the statement of operations and net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

“Charles Havill”

Oakville, Canada
February 8, 2010

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

Medium II Publications
Statement of Operations and Net Assets

Year ended April 30,	2009	2008
Revenues		
Advertising	\$ 68,645	\$ 69,333
Incidental fees	<u>72,552</u>	<u>69,764</u>
	<u>141,197</u>	<u>139,097</u>
Expenditures		
Publishing	34,804	32,292
Wages and benefits	89,293	85,394
Telephone	1,238	1,127
Office and general	17,993	16,854
Depreciation	<u>5,470</u>	<u>4,455</u>
	<u>148,798</u>	<u>140,122</u>
Excess of (expenditures over revenues)	(7,601)	(1,025)
Net assets, beginning of year	<u>21,582</u>	<u>22,607</u>
Net assets, end of year	<u>\$ 13,981</u>	<u>\$ 21,582</u>

See accompanying notes to the financial statements.

Medium II Publications
Statement of Financial Position

April 30,	2009	2008
Assets		
Current		
Cash	\$ 694	\$ 2,197
Receivables	<u>34,243</u>	<u>39,515</u>
	34,937	41,712
Capital assets (Note 3)	<u>7,211</u>	<u>12,236</u>
	<u>\$ 42,148</u>	<u>\$ 53,948</u>
Liabilities		
Current		
Payables and accruals	<u>\$ 28,167</u>	<u>\$ 32,366</u>
Net Assets		
Unrestricted	<u>13,981</u>	<u>21,582</u>
	<u>\$ 42,148</u>	<u>\$ 53,948</u>

On behalf of the board

Director

Director

See accompanying notes to the financial statements.

Medium II Publications
Statement of Cash Flows

Year ended April 30,	2009	2008
Cash derived from (applied to)		
Operating		
Excess of (expenditures over revenues)	\$ (7,601)	\$ (1,025)
Depreciation	5,470	4,455
Change in non-cash operating working capital (see below)	<u>1,073</u>	<u>1,666</u>
	<u>(1,058)</u>	<u>5,096</u>
Investing		
Purchase of capital assets	<u>(445)</u>	<u>(12,564)</u>
Net decrease in cash	(1,503)	(7,468)
Cash, beginning of year	<u>2,197</u>	<u>9,665</u>
Cash, end of year	<u>\$ 694</u>	<u>\$ 2,197</u>
Change in non-cash working capital		
Receivables	\$ 5,272	\$ 133
Payables and accruals	<u>(4,199)</u>	<u>1,533</u>
	<u>\$ 1,073</u>	<u>\$ 1,666</u>

See accompanying notes to the financial statements

Medium II Publications

Notes to the Financial Statements

April 30, 2009

1. Nature of operations

Medium II Publications was incorporated under the laws of Ontario without share capital to operate the student newspaper at the University of Toronto at Mississauga. It is a non-profit organization and exempt from income tax.

2. Significant accounting policies

Accrual basis of accounting

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

Capital assets

Rates and bases of depreciation applied to write off the cost of capital assets over their estimated useful lives are as follows:

Office furniture and equipment	20% diminishing balance basis
Computer equipment	30% and 55% diminishing balance basis
Software	100% diminishing balance basis

Financial instruments

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities.

Cash, receivables and payables and accruals

These financial assets and liabilities are measured at their carrying amount since it is comparable to their fair value due to the approaching maturity of these financial instruments.

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 capital assets and the amounts included in receivables 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.

Medium II Publications

Notes to the Financial Statements

April 30, 2009

3. Capital assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2009 Net Book Value</u>	<u>2008 Net Book Value</u>
Office furniture and equipment	\$ 66,726	\$ 63,629	\$ 3,097	\$ 3,871
Computer equipment	19,584	15,470	4,114	7,407
Software	<u>1,915</u>	<u>1,915</u>	<u> </u>	<u>958</u>
	<u>\$ 88,225</u>	<u>\$ 81,014</u>	<u>\$ 7,211</u>	<u>\$ 12,236</u>

4. Capital disclosures

The organization manages its capital to maintain its ability to continue as a going concern and to fulfil its role as a non-profit organization. The capital structure of the organization consists of net assets.

The organization is not subject to any externally imposed capital requirements and the overall strategy with respect to capital management remains unchanged from the year ended April 30, 2008.

5. Financial instruments

Credit risk

The organization does not have a significant exposure to any individual customer or counterpart, due to the significant number of long term customers.

6. Incidental Fees

For future years, incidental fees will be disclosed in the statement of operations by individual payments received.
