Charles Havill

CHARTERED ACCOUNTANT

Medium II Publications
Financial Statements

April 30, 2010

Contents

Charles Havill

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, 2010 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, 2010 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
December 2, 2010

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

245 Wyecroft Road, Unit 4, Oakville, ON L6K 3Y6 Tel: 905-844-4663 or 905-844-4311 Fax: 905-844-2791 www.havill-cas.com

Medium II Publications
Statement of Operations and Net Assets

Year ended April 30,	2010	2009
Revenues		
Advertising	$ 39,138	$ 68,645
Incidental fees (Note 6)	76,168	72,552
	115,306	141,197
Expenditures		
Publishing	31,305	34,804
Wages and benefits	84,683	89,293
Telephone	1,048	1,238
Office and general	11,062	17,993
Depreciation	2,562	5,470
	130,660	148,798
Excess of (expenditures over revenues)	(15,354)	(7,601)
Net assets, beginning of year	13,981	21,582
Net assets, end of year	$ (1,373)	$ 13,981

See accompanying notes to the financial statements.

Medium II Publications
Statement of Financial Position

April 30,	2010	2009
Assets		
Current		
Cash	$	$ 694
Receivables	5,840	34,243
	5,840	34,937
Capital assets (Note 3)	4,650	7,211
	$ 10,490	$ 42,148

Liabilities		
Current		
Bank overdraft	$ 1,807	$
Payables and accruals	10,056	28,167
Net Assets		
Unrestricted	(1,373)	13,981
	$ 10,490	$ 42,148

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,	2010	2009
Cash derived from (applied to)		
Operating		
Excess of (expenditures over revenues)	$ (15,354)	$ (7,601)
Depreciation	2,562	5,470
Change in non-cash operating working capital (see below)	10,291	1,073
	(2,501)	(1,058)
Investing		
Purchase of capital assets		(445)
Net decrease in cash	(2,501)	(1,503)
Cash, beginning of year	694	2,197
(Bank overdraft), cash, end of year	$ (1,807)	$ 694

Change in non-cash working capital		
Receivables	$ 28,402	$ 5,272
Payables and accruals	(18,111)	(4,199)
	$ 10,291	$ 1,073

See accompanying notes to the financial statements

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.

3. Capital assets

	Cost	Accumulated Depreciation	2010 Net Book Value	2009 Net Book Value
Office furniture and equipment	$ 66,726	$ 64,249	$ 2,477	$ 3,097
Computer equipment	19,584	17,411	2,173	4,114
Software	1,915	1,915		
	$ 88,225	$ 83,575	$ 4,650	$ 7,211

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, 2009.

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

Incidental fees were received according to the following individual payments:

	2010	2009
September	$ 43,531	$ 41,859
January	25,221	23,518
March	7,416	7,175
	$ 76,168	$ 72,552