

THE FULCRUM PUBLISHING SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2007

Auditors' Report
Statement of Financial Position
Statement of Operations
Statement of Changes in Net Assets
Statement of Cash Flows
Notes to Financial Statements

CONNELLY & KOSHY
Professional Corporation
CHARTERED ACCOUNTANTS

To:
The Board of Directors of
The Fulcrum Publishing Society

AUDITORS' REPORT

We have audited the statement of financial position of The Fulcrum Publishing Society as at April 30, 2007, and the statements of operations, cash flows and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2007 and the results of its operations and the cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Connelly & Koshy P.C.
Chartered Accountants,
Licensed Public Accountants

Ottawa, Ontario
August 13, 2007

THE FULCRUM PUBLISHING SOCIETY
(A Not-For-Profit Corporation)
(Incorporated under the Laws of Ontario)

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2007

| | 2007 | 2006 |
|-----------------------------------|------------------------------|-----------------------------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT | | |
| Cash | 29,750 | 0 |
| Accounts receivable | 70,132 | 70,611 |
| Prepaid expenses | <u>4,701</u> | <u>0</u> |
| | <u>104,583</u> | <u>70,611</u> |
| CAPITAL ASSETS (Note 1d) | | |
| Furniture and equipment - at cost | 29,213 | 28,273 |
| Less accumulated amortization | <u>(8,010)</u> | <u>(2,827)</u> |
| | <u>21,203</u> | <u>25,446</u> |
| GOODWILL (Note 2) | <u>1</u> | <u>1</u> |
| TOTAL ASSETS | <u><u>125,787</u></u> | <u><u>96,058</u></u> |

LIABILITIES AND NET ASSETS

| | | |
|---|------------------------------|-----------------------------|
| CURRENT LIABILITIES | | |
| Bank overdraft | 0 | 7,805 |
| Accounts payable and accrued liabilities | 6,724 | 11,008 |
| Advertising credit (Note 3) | 8,219 | 23,142 |
| Current portion of loans payable (Note 5) | <u>14,331</u> | <u>13,500</u> |
| | <u>29,274</u> | <u>55,455</u> |
| LONG-TERM | | |
| Loans payable (Note 5) | <u>887</u> | <u>15,218</u> |
| NET ASSETS | | |
| Invested in capital assets | 21,203 | 25,446 |
| Unrestricted | <u>74,423</u> | <u>(61)</u> |
| | <u>95,626</u> | <u>25,385</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>125,787</u></u> | <u><u>96,058</u></u> |

APPROVED ON BEHALF OF THE BOARD:

Director _____

Director _____

(See attached Auditors' Report)
(See accompanying Notes to the Financial Statements)

THE FULCRUM PUBLISHING SOCIETY

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2007

| | 365 Days 2007 \$ | 344 Days 2006 \$ |
|---|------------------------|------------------------|
| REVENUE | | |
| Fundraising | 9,954 | 4,750 |
| Local advertising | 104,204 | 100,929 |
| National advertising | 70,422 | 64,723 |
| Student levy - GSAED | 4,042 | 3,616 |
| Student levy - SFUO | 151,557 | 142,552 |
| Miscellaneous revenue | <u>2,599</u> | <u>1,591</u> |
| | <u>342,778</u> | <u>318,161</u> |
| EXPENSES | | |
| Amortization | 5,183 | 2,827 |
| Bad debts | 6,859 | 5,903 |
| Bank charges and interest | 172 | 1,573 |
| Conference expense | 12,865 | 7,460 |
| Interest on long-term debt | 1,426 | 487 |
| Office supplies and expenses | 1,975 | 5,354 |
| Parking | 1,272 | 1,212 |
| Printing | 77,530 | 76,743 |
| Professional fees | 4,196 | 19,683 |
| Repairs and maintenance | 310 | 537 |
| Salaries and wages | 146,933 | 157,337 |
| Subscription | 5,833 | 3,599 |
| Telephone and internet | 6,983 | 7,049 |
| Travel | 411 | 1,450 |
| Website expense | <u>589</u> | <u>1,562</u> |
| | <u>272,537</u> | <u>292,776</u> |
| EXCESS OF REVENUES OVER EXPENSES | <u>70,241</u> | <u>25,385</u> |

(See attached Auditors' Report)
(See accompanying Notes to the Financial Statements)