

THE FULCUM PUBLISHING SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2016

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Fulcurm Publishing Society

We have audited the accompanying financial statements of The Fulcurm Publishing Society which comprise the statement of financial position as at April 30, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements'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 from material misstatement, whether due to fraud or error.

Auditor's Responsibility

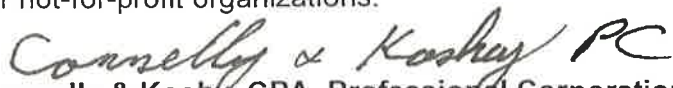
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 auditor's 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 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.

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 Fulcurm Publishing Society as at April 30, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.


Connelly & Koshy, CPA, Professional Corporation

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
October 31, 2016

1445 Woodroffe Avenue, Ottawa, Ontario ► K2G 1W1

THE FULCUM PUBLISHING SOCIETY
(A Not for Profit Corporation)

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2016

	2016	2015
	\$	\$
ASSETS		
CURRENT		
Cash	201,885	186,521
Short-term investments (Note 2g)	87,380	87,330
Accounts receivable	16,405	38,244
Prepaid expenses (Note 4)	777	671
	<u>306,447</u>	<u>312,766</u>
NON-CURRENT		
Equipment (Note 2e and 4)	11,429	10,978
Goodwill	1	1
	<u>11,430</u>	<u>10,979</u>
TOTAL ASSETS	<u>317,877</u>	<u>323,745</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	<u>7,447</u>	<u>15,351</u>
NET ASSETS		
Invested in capital assets	11,429	10,978
Unrestricted	<u>299,001</u>	<u>297,416</u>
	<u>310,430</u>	<u>308,394</u>
TOTAL LIABILITIES AND NET ASSETS	<u>317,877</u>	<u>323,745</u>

APPROVED ON BEHALF OF THE BOARD:

Director _____

Director _____

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE FULCURM PUBLISHING SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2016

	2016	2015
	\$	\$
REVENUE		
Fundraising	446	618
Local advertising	90,439	120,222
National advertising	25,033	24,600
Student levy - SFUO	211,954	202,496
Student levy - GSAED	12,259	12,272
NASH Conference revenue	0	147,977
Other revenue	514	1,886
	<u>340,645</u>	<u>510,071</u>
EXPENSES		
Advertising and promotion	3,569	3,561
Amortization - capital assets	3,210	3,561
Bad debts	1,600	160
Bank charges, interest and credit card charges	2,646	2,319
Insurance	1,909	1,709
NASH Conference expense	2,378	116,755
Office supplies	12,615	13,637
Printing	63,359	83,491
Professional and membership dues	3,086	2,700
Salaries and employee benefits	237,218	257,168
Telecommunications	1,547	2,274
Training	18	294
Travel and conferences	5,504	2,381
	<u>338,659</u>	<u>490,010</u>
EXCESS REVENUES OVER EXPENSES	1,986	20,061
OTHER INCOME		
Interest income	50	1,017
EXCESS REVENUE OVER EXPENSES	<u>2,036</u>	<u>21,078</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE FULCURM PUBLISHING SOCIETY
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2016

	Unrestricted \$	Invested in Capital Assets \$	Total 2016 \$	Total 2015 \$
NET ASSETS , beginning of the year	297,416	10,978	308,394	287,316
Excess of revenues over expenses for the year	5,246	(3,210)	2,036	21,078
Net acquisitions of equipment	<u>(3,661)</u>	<u>3,661</u>	<u>0</u>	<u>0</u>
NET ASSETS , end of the year	<u><u>299,001</u></u>	<u><u>11,429</u></u>	<u><u>310,430</u></u>	<u><u>308,394</u></u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE FULCUM PUBLISHING SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2016

	2016	2015
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses	2,036	21,078
Add: amortization	<u>3,210</u>	<u>3,561</u>
	5,246	24,639
Net change in accounts receivable	21,839	15,609
Net change in prepaid expenses	(106)	(16)
Net change in accounts payable and accrued liabilities	<u>(7,904)</u>	<u>14,134</u>
	<u>19,075</u>	<u>54,366</u>
 INVESTING ACTIVITIES		
Acquisition of equipment	<u>(3,661)</u>	<u>(1,611)</u>
 CHANGE IN CASH AND EQUIVALENTS	 15,414	 52,755
CASH AND EQUIVALENTS, beginning of year	<u>273,851</u>	<u>221,096</u>
CASH AND EQUIVALENTS, end of year	<u>289,265</u>	<u>273,851</u>
 REPRESENTED BY:		
Cash	201,885	186,521
Term deposits	<u>87,380</u>	<u>87,330</u>
	<u>289,265</u>	<u>273,851</u>

(See attached Independent Auditor's Report)
(See accompanying Notes to Financial Statements)

THE FULCURM PUBLISHING SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2016

1. NATURE OF THE ORGANIZATION

The Fulcrum Publishing Society, a not-for-profit organization, was incorporated without share capital by Letters Patent under the laws of Ontario on October 19, 2004 and is exempt from income taxes. The organizations mandate is to:

- promote the interest and welfare of the students of the University of Ottawa through editorial stance by reporting accurately, fairly, and honestly on timely issues and events originating from the University of Ottawa campus;
- cover issues and angles not present in the mainstream media from its perspective as a member of the alternate press;
- serve as an education device and as a forum for differing points of view and world scopes; and,
- do all such other things for the attainment of the above-noted objects.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations using Part III of the CPA Handbook and include the following significant accounting policies:

a) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

b) Cash and cash equivalents

The entity's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts and temporary investments with a maturity period of three months or less from the date of acquisition. Term deposits that the entity cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

(See attached Independent Auditor's Report)

THE FULCUM PUBLISHING SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized in the year it is earned.

d) Contributed services

The majority of the hours that volunteers contributed over the year to assist the society in carrying out its activities are not recognized in these financial statements because the fair value cannot be reasonably estimated.

e) Equipment

Equipment is accounted for at cost. Amortization is based on their estimated useful life using the following methods and rates.

	Methods	Rates
Office furniture and equipment	Declining balance	20%
Computer hardware	Declining balance	55%

Additions are amortized at one-half of the above rate in the year of acquisition.

f) Goodwill

The goodwill arose from the purchase of the existing statutory and other property rights and interests relating to the 'Campus Newspaper' by the Society from The Student Federation of the University of Ottawa (SFUO).

g) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and short term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(See attached Independent Auditor's Report)

THE FULCUM PUBLISHING SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2016

3. PREPAID EXPENSES

The prepaid expenses relate to prepaid insurance premiums.

4. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2016	Net Book Value 2015
	\$	\$	\$	\$
Office furniture and equipment	25,361	(18,013)	7,348	5,410
Computer hardware	<u>46,741</u>	<u>(42,660)</u>	<u>4,081</u>	<u>5,568</u>
	<u>72,102</u>	<u>(60,673)</u>	<u>11,429</u>	<u>10,978</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
	\$	\$
Trade and accrued liabilities	307	9,884
Payroll liabilities	1,260	1,895
HST payable	<u>5,880</u>	<u>3,572</u>
	<u>7,447</u>	<u>15,351</u>

(See attached Independent Auditor's Report)

THE FULCUM PUBLISHING SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2016

6. FINANCIAL INSTRUMENTS

Risk and concentrations

The society is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the balance sheet date, April 30, 2016.

Credit risk

The organization determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. The organization doesn't provide credit to customers and therefore is subject to little or no credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The society is exposed to interest rate risk on its fixed interest rate financial instruments. These financial instruments subject the society to fair value risk. Due to their short term maturity values, there is no significant interest rate risk.

7. ECONOMIC DEPENDENCE

Since the Society's business with the Student Federation of the University of Ottawa (SFUO) is so significant the society is deemed to be economically dependent on the SFUO. The organization receives payments from the SFUO and these amounts represent approximately 50% of revenues and for this reason the organization is dependent on SFUO and the revenues received.

(See attached Independent Auditor's Report)