

The Fulcrum Publishing Society  
Financial Statements  
Year Ended April 30, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of The Fulcrum Publishing Society

*Opinion*

We have audited the financial statements of The Fulcrum Publishing Society (the organization), which comprise the statement of financial position as at April 30, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

*(continues)*

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

Independent Auditor's Report to the Members of The Fulcrum Publishing Society *(continued)*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Ottawa, Ontario  
October 20, 2021


ABFK Chartered Professional Accountants  
Professional Corporation  
Licensed Public Accountants

The Fulcrum Publishing Society  
Statement of Financial Position  
April 30, 2021

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 401,204	\$ 178,549
Marketable securities <i>(Note 4)</i>	99,446	93,109
Accounts receivable	13,894	104,939
Sales tax recoverable	1,942	2,295
Prepaid expenses	910	1,232
	<b>517,396</b>	380,124
PROPERTY AND EQUIPMENT <i>(Note 5)</i>	<b>6,746</b>	8,506
GOODWILL <i>(Net of accumulated amortization)</i>	<b>1</b>	1
	<b>\$ 524,143</b>	\$ 388,631
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 6,844	\$ 12,224
Wages payable	2,835	4,902
Employee deductions payable	718	822
	<b>10,397</b>	17,948
LONG TERM DEBT	<b>40,000</b>	-
	<b>50,397</b>	17,948
<b>NET ASSETS</b>		
Unrestricted assets	<b>467,000</b>	362,177
Invested in net assets	<b>6,746</b>	8,506
	<b>473,746</b>	370,683
	<b>\$ 524,143</b>	\$ 388,631

On behalf of the Board

  
\_\_\_\_\_  
Member  
Kalki Nagaratnam  
October 21, 2021

  
\_\_\_\_\_  
Member  
Samuel Coulavin  
October 25, 2021

The Fulcrum Publishing Society  
Statement of Revenues and Expenditures  
Year Ended April 30, 2021

	2021	2020
<b>REVENUES</b>		
Fund raising	\$ 480	\$ 4,389
Advertising	2,254	8,601
Students fees	263,691	209,598
Other revenue	-	134
	<b>266,425</b>	<b>222,722</b>
<b>EXPENSES</b>		
Accounting fees	8,865	5,147
Advertising and promotion	770	2,975
Amortization	1,760	2,024
Bad debts	339	763
Employee benefits	1,390	2,507
Insurance	2,507	2,297
Interest and bank charges	223	459
Meetings and conventions	225	7,765
Office	4,693	5,555
Website	2,621	2,869
Freelance writer	1,845	1,800
Salaries and wages	170,037	135,757
Sub-contracts	1,000	1,000
	<b>196,275</b>	<b>170,918</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>70,150</b>	<b>51,804</b>
<b>OTHER INCOME</b>		
Expense recoveries	6,571	-
Unrealized gain on marketable securities	4,845	2,683
Investment income	1,497	859
Government grants and subsidies	20,000	-
	<b>32,913</b>	<b>3,542</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 103,063</b>	<b>\$ 55,346</b>

The Fulcrum Publishing Society  
Statement of Changes in Net Assets  
Year Ended April 30, 2021

	Unrestricted Assets	Invested in Net Assets	<i><b>Total</b></i> <b>2021</b>	<i>Total</i> 2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 362,177	\$ 8,506	\$ <b>370,683</b>	\$ 315,337
Excess of revenues over expenses	103,063	-	<b>103,063</b>	55,346
Amortization of net assets	1,760	(1,760)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 467,000	\$ 6,746	\$ <b>473,746</b>	\$ 370,683

The Fulcrum Publishing Society  
Statement of Cash Flows  
Year Ended April 30, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 103,063	\$ 55,345
Items not affecting cash:		
Amortization of property and equipment	1,760	2,024
Write-down of marketable securities	(4,845)	(2,683)
	<b>99,978</b>	<b>54,686</b>
Changes in non-cash working capital:		
Accounts receivable	91,045	(99,382)
Accounts payable	(5,381)	3,910
Prepaid expenses	322	-
Sales tax payable	353	-
Wages payable	(2,067)	-
Employee deductions payable	(104)	2,795
	<b>84,168</b>	<b>(92,677)</b>
Cash flow from (used by) operating activities	<b>184,146</b>	<b>(37,991)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(2,250)
Proceeds from sale (purchase) of marketable securities	(1,492)	-
Cash flow used by investing activities	<b>(1,492)</b>	<b>(2,250)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	60,000	-
Repayment of long term debt	(20,000)	-
Cash flow from financing activities	<b>40,000</b>	<b>-</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>222,654</b>	<b>(40,241)</b>
Cash - beginning of year	262,923	-
<b>CASH (DEFICIENCY) - END OF YEAR</b>	<b>\$ 485,577</b>	<b>\$ (40,241)</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 401,204	\$ 178,549
Investments	85,866	84,374
	<b>\$ 487,070</b>	<b>\$ 262,923</b>



## 1. NATURE OF OPERATIONS

The Fulcrum Publishing Society, a not-for-profit organization, was incorporated without share capital by Letters Patent under laws of Ontario on October 19, 2004 and is exempt from income taxes. The organization 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 scope; and
- do all such other things for the attainment of the above-noted objects.

## 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Revenue recognition

The Fulcrum Publishing Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the 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. Endowment contributions are recognized as direct increases in net assets.

Advertising and Interest income are recognized in the year it is earned.

### 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.

### 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.

### 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).

### Property and equipment

*(continues)*

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	55%	declining balance method
Office furniture and equipment	20%	declining balance method
Signage	20%	declining balance method

**Use of estimates**

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organization 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.

**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.

**4. MARKETABLE SECURITIES**

Short-term investments consists of mutual funds. These investments are measured at amortized cost and interest income from these investments is recognized in the period in which it is earned.

	2021	2020
RBC Select Conservative Portfolio	\$ 51,453	\$ 50,527
RBC Select Balanced Portfolio	34,412	33,847
	85,865	84,374
Allowance for excess of cost over market value	13,581	8,735
	\$ 99,446	\$ 93,109
Market value	\$ 99,446	\$ -

**5. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	<b>2021 Net book value</b>	2020 Net book value
Signage	\$ 646	\$ 408	\$ 238	\$ 298
Computer equipment	46,741	46,665	76	168
Office furniture and equipment	32,029	25,597	<b>6,432</b>	8,040
	<b>\$ 79,416</b>	<b>\$ 72,670</b>	<b>\$ 6,746</b>	<b>\$ 8,506</b>