

The Fulcrum Publishing Society
Financial Statements
Year Ended April 30, 2022

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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, 2022, and the statements of changes in net assets, revenues and expenditures 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, 2022, 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.

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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
November 2, 2022

ABFK Chartered Professional Accountants
Professional Corporation

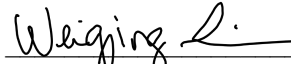
The Fulcrum Publishing Society
Statement of Financial Position
April 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 455,867	\$ 401,204
Marketable securities <i>(Note 4)</i>	95,767	99,446
Accounts receivable <i>(Note 5)</i>	23,564	13,894
Sales tax recoverable	2,465	1,942
Prepaid expenses	910	910
	578,573	517,396
PROPERTY AND EQUIPMENT <i>(Note 6)</i>	5,371	6,746
GOODWILL <i>(Net of accumulated amortization)</i>	1	1
	\$ 583,945	\$ 524,143
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 6,218	\$ 6,844
Wages payable	3,953	2,835
Employee deductions payable	722	718
	10,893	10,397
LONG TERM DEBT	40,000	40,000
	50,893	50,397
NET ASSETS		
Unrestricted assets	527,682	467,000
Invested in net assets	5,370	6,746
	533,052	473,746
	\$ 583,945	\$ 524,143

On behalf of the Board



Member
President
November 27, 2022



Member
Treasurer
November 27, 2022

The Fulcrum Publishing Society
Statement of Changes in Net Assets
Year Ended April 30, 2022

	Unrestricted Assets	Invested in Net Assets	Total 2022	<i>Total 2021</i>
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 467,000	\$ 6,746	\$ 473,746	\$ 370,683
Prior period adjustment <i>(Note 7)</i>	11,101	-	11,101	-
As restated	478,101	6,746	484,847	370,683
Excess of revenues over expenses	46,697	-	46,697	103,063
Amortization of net assets	1,376	(1,376)	-	-
Bank reconciliation discrepancy <i>(Note 8)</i>	1,508	-	1,508	-
NET ASSETS - END OF YEAR	\$ 527,682	\$ 5,370	\$ 533,052	\$ 473,746

The Fulcrum Publishing Society
Statement of Revenues and Expenditures
Year Ended April 30, 2022

	2022	2021
REVENUES		
Students fees	\$ 273,931	\$ 263,691
Canada Summer Job grants	19,307	-
Advertising	218	2,254
Fund raising	-	480
	293,456	266,425
EXPENSES		
Accounting fees	6,000	8,865
Advertising and promotion	1,490	770
Amortization	1,376	1,760
Bad debts	-	339
Business taxes, licenses and memberships	4,602	-
Employee benefits	2,184	1,390
Freelance writer	3,288	1,845
Insurance	2,359	2,507
Interest and bank charges	8	223
Legal fees	850	-
Meetings and conventions	-	225
Office	2,751	4,693
Salaries and wages	215,221	170,037
Sub-contracts	-	1,000
Website	2,951	2,621
	243,080	196,275
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	50,376	70,150
OTHER INCOME		
Expense recoveries	-	6,571
Unrealized gain on marketable securities	(7,008)	4,845
Investment income	3,329	1,497
Government grants and subsidies	-	20,000
	(3,679)	32,913
EXCESS OF REVENUES OVER EXPENSES	\$ 46,697	\$ 103,063

The Fulcrum Publishing Society
Statement of Cash Flows
Year Ended April 30, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 46,697	\$ 103,063
Items not affecting cash:		
Amortization of property and equipment	1,376	1,760
Write-down of marketable securities	7,008	(4,845)
	55,081	99,978
Changes in non-cash working capital:		
Accounts receivable	(9,670)	91,045
Accounts Receivable Prior period adjustments	11,101	-
Accounts payable	(627)	(5,380)
Prepaid expenses	-	322
Harmonized sales tax payable	(523)	353
Wages payable	1,118	(2,067)
Employee deductions payable	4	(104)
	1,403	84,169
Cash flow from operating activities	56,484	184,147
FINANCING ACTIVITIES		
Proceeds from long term financing	-	60,000
Repayment of long term debt	-	(20,000)
Cash flow from financing activities	-	40,000
OTHER CASH FLOW ITEMS		
Bank reconciliation discrepancy	1,508	-
INCREASE IN CASH FLOW	57,992	224,147
Cash - beginning of year	487,070	262,923
CASH - END OF YEAR	\$ 545,062	\$ 487,070
CASH CONSISTS OF:		
Cash	\$ 455,867	\$ 401,204
Investments	89,195	85,866
	\$ 545,062	\$ 487,070

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 objectives.

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.

Prepaid expenses

Expense items of a nature which will benefit future periods are charged to the prepaid expense account and are amortized over actual periods benefited.

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.

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

The goodwill arose from the purchase of the existing statutory and other property rights and interests relating to the "Campus newspaper" by the organization from the University of Ottawa Student Union (UOSU)..

Property and equipment

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

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets include cash, trade and other receivables.

Financial liabilities include trade and other accounts payable and long-term debt.

Financial liabilities measured at fair value include non-interest bearing CEBA loan.

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.

	2022	2021
RBC Select Conservative Portfolio	\$ 53,405	\$ 51,453
RBC Select Balanced Portfolio	35,790	34,412
	89,195	85,865
Allowance for excess of cost over market value	6,572	13,581
	\$ 95,767	\$ 99,446
Market value	\$ 95,767	\$ 99,446

5. ACCOUNTS RECEIVABLE

Includes \$11,979 due from the UOSU, \$11,101 from the GSAED and \$484 from miscellaneous advertising contracts.

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Signage	\$ 646	\$ 455	\$ 191	\$ 238
Computer equipment	46,741	46,706	35	76
Office furniture and equipment	32,029	26,884	5,145	6,432
	\$ 79,416	\$ 74,045	\$ 5,371	\$ 6,746

7. PRIOR PERIOD ADJUSTMENT

To account for the income receivable in prior years from the GSAED, the amount of which includes collected tuition for accounts in default by the University, discrepancy in the calculation of registered students from the beginning to the end of the year, and uncashed cheques in 2015 and 2016.

8. BANK RECONCILIATION DISCREPANCY

Adjustment to clear transactions from 2019 and prior years from the bank and reconcile the bank.

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.