

The Fulcrum Publishing Society
Financial Statements
April 30, 2024

Independent Auditor's Report

To the members of
The Fulcrum Publishing Society

Opinion

We have audited the financial statements of The Fulcrum Publishing Society, which comprise the statement of financial position as at April 30, 2024, and the statements of operations and 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, 2024, and the results of its operations and its cash flows for the year then ended in accordance with 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 the 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.

Other Matter

The financial statements of the organization for the year ended April 30, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 20, 2024.

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.

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:

Independent Auditor's Report, continued

- ◆ 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, ON
September 28, 2024

Numeris CPA Professional Corporation
Chartered Professional Accountant
Licensed Public Accountant

The Fulcrum Publishing Society
Statement of Financial Position
As at April 30, 2024

	2024	2023
Assets		
Current		
Cash	\$ 457,713	\$ 503,361
Marketable securities (note 4)	106,546	97,863
Accounts receivable	3,814	3,038
Prepaid expenses	1,937	1,309
	570,010	605,571
Capital assets (note 5)	3,531	4,524
Goodwill	1	1
	\$ 573,542	\$ 610,096

	2024	2023
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 15,523	\$ 5,849
Payroll remittance payable	4,031	8,315
	19,554	14,164
CEBA loan	-	40,000
	19,554	54,164
Balance	553,988	555,932
	\$ 573,542	\$ 610,096

On behalf of the Board



_____ Member

_____ Member

The Fulcrum Publishing Society
Statement of Operations
and Changes in Net Assets
Year ended April 30, 2024

	<u>2024</u>	<u>2023</u>
Revenues		
Student fees	\$ 279,868	\$ 259,984
Canada summer job grants	8,903	13,113
Interest income	2,292	2,749
Advertising	<u>496</u>	<u>1,789</u>
	<u>291,559</u>	<u>277,635</u>
Expenditures		
Salaries and related benefits	255,169	227,703
Professional fees	16,237	6,604
Website	7,279	3,403
Office	5,448	3,572
Business taxes	3,718	2,990
Meetings and conventions	3,218	3,662
Freelance writers	3,060	1,710
Insurance	3,011	2,733
Advertising and promotion	1,500	517
Amortization	994	1,177
Miscellaneous	195	7
Bad debts	44	-
Interest and bank charges	<u>21</u>	<u>31</u>
	<u>299,894</u>	<u>254,109</u>
(Deficiency) excess of revenues over expenditures from operations	(8,335)	23,526
Unrealized loss gain (loss) on marketable securities	<u>(6,391)</u>	<u>646</u>
(Deficiency) excess of revenues over expenditures	(1,944)	22,880
Balance, beginning of year	<u>555,932</u>	<u>533,052</u>
Balance, end of year	<u>\$ 553,988</u>	<u>\$ 555,932</u>

The Fulcrum Publishing Society
Statement of Cash Flows
Year ended April 30, 2024

	2024	2023
Operating activities		
(Deficiency) excess of revenues over expenditures	\$ (1,944)	\$ 22,880
Adjustment for		
Amortization	994	1,177
	(950)	24,057
Change in non-cash working capital items		
Marketable securities	(8,683)	(2,096)
Accounts receivable	(776)	22,991
Prepaid expenses	(628)	(399)
Accounts payable and accrued liabilities	9,673	(369)
Payroll remittance payable	(4,284)	3,640
	(5,648)	47,824
Investing activity		
Purchase of capital assets	-	(330)
Financing activity		
Ceba loan	(40,000)	-
Net (decrease) increase in cash	(45,648)	47,494
Cash, beginning of year	503,361	455,867
Cash, end of year	\$ 457,713	\$ 503,361

1. Nature of operations

The Fulcrum Publishing SocietyThe 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
- 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

(a) Revenue recognition

The organization 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.

(b) Cash equivalents

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

(c) 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.

3. Significant accounting policies, continued

(d) Contributed services

Volunteers contribute their time to assist in the organization's activities. These services materially benefit the organization; however, a reasonable estimate of the time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

(e) 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).

(f) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	20%
Computer equipment	55%
Signs	20%

(g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(h) Financial instruments

The organization's financial instruments consist of cash, accounts receivable, marketable securities and accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

4. Marketable securities

	2024	2023
RBC Select Conservative Portfolio	\$ 56,634	\$ 54,879
RBC Select Balanced Portfolio	37,601	36,464
	94,235	91,343
Allowance for excess of cost over market value	12,311	6,520
	\$ 106,546	\$ 97,863

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.

The Fulcrum Publishing Society
Notes to the Financial Statements
April 30, 2024

4. Marketable securities, continued

5. Capital assets

	2024		2023	
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 32,029	\$ 28,736	\$ 3,293	\$ 4,116
Computer equipment	47,071	46,956	115	255
Signs	646	523	123	153
	\$ 79,746	\$ 76,215	\$ 3,531	\$ 4,524

6. Subsequent events

Subsequent to the year end, the organization resolved a human resource matter resulting in a pay out of \$9,500. This amount was accrued and expensed in the current fiscal year.

7. Comparative amounts

The balance sheet as at April 30, 2023 and the statements of operations and changes in net assets and cash flows for the year then ended were reported on by another firm of Chartered Professional Accountants who issued an unqualified opinion in their report dated February 20, 2024.

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.