

FULCRUM PUBLISHING SOCIETY
Financial Statements
Year Ended April 30, 2023

FULCRUM PUBLISHING SOCIETY
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Year Ended April 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of 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, 2023, 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, 2023, 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.

Other Matter

The financial statements for the year ended April 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on November 2, 2022.

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)

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.

The prior year comparative figures were audited by another firm of public accountants.

Ottawa, Ontario
February 20, 2024

MKP Professional Corporation


CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

FULCRUM PUBLISHING SOCIETY
Statement of Financial Position
April 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 503,361	\$ 455,867
Marketable securities (Note 4)	97,863	95,767
Accounts receivable (Note 5)	484	23,564
Sales tax recoverable	2,554	2,465
Prepaid expenses	1,309	910
	605,571	578,573
PROPERTY AND EQUIPMENT (Net of accumulated amortization) (Note 6)	4,524	5,370
GOODWILL	1	1
	\$ 610,096	\$ 583,944
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,849	\$ 6,217
CEBA loan payable (Note 7)	40,000	-
Wages payable	7,812	3,953
Employee deductions payable	503	722
	54,164	10,892
LONG TERM DEBT (Note 8)	-	40,000
	54,164	50,892
NET ASSETS		
Unrestricted assets	551,409	527,682
Invested in net assets	4,523	5,370
	555,932	533,052
	\$ 610,096	\$ 583,944

APPROVED BY THE DIRECTOR

 Keelan Buck *Director*

 Ria Kunkulol *Director*

See notes to financial statements

FULCRUM PUBLISHING SOCIETY
Statement of Revenues and Expenditures
Year Ended April 30, 2023

	2023	2022
REVENUES		
Student fees	\$ 259,984	\$ 273,931
Canada summer job grants	13,113	19,307
Advertising	1,789	218
	<u>274,886</u>	<u>293,456</u>
EXPENSES		
Advertising and promotion	517	1,490
Amortization	1,177	1,376
Business taxes, licenses and memberships	2,990	4,602
Freelance writer	1,575	3,288
Insurance	2,733	2,359
Interest and bank charges	31	7
Meetings and conventions	3,662	-
Office	3,932	2,753
Professional fees	6,604	6,850
Salaries and wages	227,485	217,405
Website	3,403	2,951
	<u>254,109</u>	<u>243,081</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>20,777</u>	<u>50,375</u>
OTHER INCOME		
Unrealized loss on marketable securities	(46)	(7,008)
Interest income	2,149	3,329
	<u>2,103</u>	<u>(3,679)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 22,880</u>	<u>\$ 46,696</u>

See notes to financial statements

FULCRUM PUBLISHING SOCIETY
Statement of Changes in Net Assets
Year Ended April 30, 2023

	Unrestricted Assets	Invested in Net Assets	2023	2022
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 527,682	\$ 5,370	\$ 533,052	\$ 473,747
Bank reconciliation discrepancy	-	-	-	1,508
Prior period adjustments	-	-	-	11,101
As restated	527,682	5,370	533,052	486,356
EXCESS OF REVENUES OVER EXPENSES	24,057	(1,177)	22,880	46,696
ADDITIONS TO CAPITAL ASSETS	(330)	330	-	-
NET ASSETS - END OF YEAR	\$ 551,409	\$ 4,523	\$ 555,932	\$ 533,052

FULCRUM PUBLISHING SOCIETY

Statement of Cash Flows

Year Ended April 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 22,880	\$ 46,696
Items not affecting cash:		
Amortization of property and equipment	1,177	1,376
Write-down of marketable securities	46	7,008
	<u>24,103</u>	<u>55,080</u>
Changes in non-cash working capital:		
Accounts receivable	23,080	(9,670)
Accounts payable	(362)	(626)
Wages payable	3,859	3,953
Prepaid expenses	(399)	-
Employee deductions payable	(219)	(2,831)
Harmonized sales tax payable	(89)	(523)
Prior period adjustments	-	11,101
	<u>25,870</u>	<u>1,404</u>
Cash flow from operating activities	<u>49,973</u>	<u>56,484</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(330)</u>	-
FINANCING ACTIVITY		
Bank reconciliation discrepancy	-	1,508
INCREASE IN CASH FLOW	49,643	57,992
Cash - beginning of year	<u>545,061</u>	<u>487,069</u>
CASH - END OF YEAR	\$ 594,704	\$ 545,061
CASH CONSISTS OF:		
Cash	\$ 503,361	\$ 455,867
Investments	91,343	89,194
	<u>\$ 594,704</u>	<u>\$ 545,061</u>

See notes to financial statements

FULCRUM PUBLISHING SOCIETY

Notes to Financial Statements

Year Ended April 30, 2023

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. SUMMARY OF 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.

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).

(continues)

FULCRUM PUBLISHING SOCIETY

Notes to Financial Statements

Year Ended April 30, 2023

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

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:

Computer equipment	55%
Office furniture & equipment	20%
Signage	20%

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, marketable securities, trade and other receivables.

Financial liabilities include accounts payable, accrued liabilities, current and long-term debt.

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.

	<u>2023</u>	<u>2022</u>
RBC Select Conservative Portfolio	\$ 54,879	\$ 53,405
RBC Select Balanced Portfolio	36,464	35,790
	<u>91,343</u>	89,195
Allowance for excess of cost over market value	6,520	6,572
Market value	<u>\$ 97,863</u>	<u>\$ 95,767</u>

5. ACCOUNTS RECEIVABLE

Accounts receivable includes \$484 from miscellaneous advertising contracts (2022: \$11,979).

FULCRUM PUBLISHING SOCIETY
Notes to Financial Statements
Year Ended April 30, 2023

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 47,071	\$ 46,816	\$ 255	\$ 34
Office furniture & equipment	32,029	27,913	4,116	5,145
Signage	646	493	153	191
	\$ 79,746	\$ 75,222	\$ 4,524	\$ 5,370

7. CEBA LOAN PAYABLE

The organization has the Canadian emergency business loan due by December 31, 2023 in the amount of \$40,000 (2022: nil).

8. LONG TERM DEBT

	2023	2022
Canadian emergency business loan, due on or before December 31, 2023.	\$ 40,000	\$ 40,000
Amounts payable within one year	(40,000)	-
	\$ -	\$ 40,000

9. COMPARATIVE FIGURES

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

FULCRUM PUBLISHING SOCIETY

631 King Edward Ave
Ottawa, ON
K1N 6N5

February 20, 2024

Confidential

MKP Professional Corporation
207-100 Craig Henry Drive
Ottawa Ontario K2G 5W3

Attention: Dome Duong, CPA, CA

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Fulcrum Publishing Society for the year ended April 30, 2023 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated August 1, 2023 for:

Preparing and fairly presenting the financial statements in accordance with ASNPO;

Providing you with:

Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:

- (A) Accounting records, supporting data and other relevant documentation,
 - (B) Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - (C) Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
- ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
 - d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and Non Compliance

We have disclosed to you:

(continued)

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with ASNPO. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the methods, significant assumptions and the data used by us in making accounting estimates and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with ASNPO.

Subsequent Events

All events subsequent to the date of the financial statements and for which ASNPO requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Contractual compliance

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

(continued)

Financial instruments

We have properly recorded all financial assets of equity instruments quoted on an active market at fair value.

Off-balance sheet derivative financial instruments (e.g., futures, options and swaps), including outstanding commitments to purchase or sell securities, assets and/or commodities under forward placement and standby commitments, and information regarding the terms and conditions, interest rate risk, credit risk and foreign exchange risk of financial instruments held at period end have been properly recorded and, when appropriate, adequately disclosed within the financial statements. We confirm that the significant assumptions used in arriving at the fair values of financial instruments, as measured and disclosed (when required) in the financial statements, are reasonable and appropriate in the circumstances.

We have evaluated whether there are indicators of impairment for all financial assets measured at cost or amortized cost, and where there has been a significant adverse change in the expected timing or amount of future cash flows from a financial asset or group of similar financial assets, we have assessed whether a reduction in the carrying value is necessary.

When an impairment is necessary, the carrying amount of the asset, or group of assets, has been reduced to the highest of the cash flows expected to be generated by holding the asset, the amount that could be realized by selling the asset and the amount that the entity expects to realize by exercising any right to collateral held to secure repayment of the asset net of all costs necessary to exercise those rights. The amount of the decline in fair value has been included in net income in the period incurred.

Journal entries

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

Marketable securities

All marketable securities owned by us are recorded in the accounts. The marketable securities are measured at fair value.

All income earned for the period ended April 30, 2023 on these securities has been recognized in earnings along with any transaction costs incurred and changes in fair value.

Property, plant and equipment

Property, plant and equipment are recorded at cost. We have good and valid title to all items of property and equipment reflected in the accounts relating thereto, and there are no liens or encumbrances on our assets. During the period ended April 30, 2023, no material amounts relating to additions or improvements of property, plant and equipment were charged to expense. The provision for amortization is based on the cost and expected economic useful lives of the property using the declining balance method.

The property, leasehold improvement and equipment accounts, and the related allowances for amortization have been adjusted for all important items of such assets that were idle, obsolete, sold, dismantled, abandoned or otherwise disposed of for the period ended April 30, 2023 and for all prior periods.

We have evaluated property, plant and equipment for recoverability in accordance with the provisions of the CPA Canada Handbook – Accounting, Part II, Section 3063 (Impairment of Long-Lived Assets). Impairment losses have been recognized in earnings when required.

Receivables

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors. They do not include amounts for goods shipped on consignment, approval or under repurchase commitments, or for goods shipped after April 30, 2023.

No abnormal returns have been made by customers since April 30, 2023 or are expected in respect of merchandise shipped prior to the close of business on April 30, 2023.

Receivables known to be uncollectible have been written off, and adequate provision has been made for anticipated adjustments or losses in connection with the collection of receivables.

(continued)

Revenue recognition

We have recorded all revenue that met the following criteria:

- a. Persuasive evidence of an arrangement exists;
- b. Delivery has occurred, or services have been rendered;
- c. Price is fixed or determinable; and
- d. Collectability is reasonably assured.

Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

Acknowledged and agreed on behalf of Fulcrum Publishing Society by:



Mr. Keelan Buck, President

March 29, 2024

~~February 20, 2024~~

Date signed



Ms. Ria Kunkulol, Treasurer

April 4, 2024

~~February 20, 2024~~

Date signed



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Fax (613) 822-5248
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E-mail info@mkpcpa.ca

207-100 Craig Henry Drive
 Ottawa K2H 5W3
 CANADA

Invoice

To: The Fulcrum Publishing Society
 631 King Edward Drive
 Ottawa Ontario K1N 6N5

Invoice Date 2024-02-21
Due Date 2024-02-21
Invoice Number 304774
Business Number 864185954
Client Code 3197
Page 1

Description	Total
Preparation of audited financial statements, including analysis of accounts and preparation of adjustments where necessary, for the year ended April 30, 2023.	5,500.00
Meetings with management to review all of the above as well as other financing and tax matters.	
Subtotal	5,500.00
HST	715.00
Total	\$6,215.00

Thank you for your continued business. Payments can be done by cheque, e-transfers, and by credit card link provided. If you require any assistance, please contact us at 613-596-4718.

PAYMENT ADVICE

Please choose your preferred payment option:

Client	The Fulcrum Publishing Society
Client Code	3197
Invoice Number	304774
Due Date	2024-02-21
Total Due	\$6,215.00



Cheque
 Please make your cheque payable to
MKP Professional Corporation
 207-100 Craig Henry Drive
 Ottawa, ON K2G 5W3



Electronic Funds Transfer (EFT)
 Please make your payment to the following email
 account: info@mkpcpa.ca.



Credit Card
 Please call us with your credit card details at (613)
 596-4718 x. 0

To: **MKP Professional Corporation**
 207-100 Craig Henry Drive
 Ottawa, ON K2G 5W3

Fulcrum Publishing Society

Year End: April 30, 2023

Adjusting journal entries

Date: 5/1/2022 To 4/30/2023

Prepared by	Reviewed by	Finalized
AT 11/21/2023	DD 2/15/2024	

6.4

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	4/30/2023	35000 Retained Earnings	35000	UU		12,609.25		
1	4/30/2023	35700 Other Items Affecting Retained Earnings	35700	UU	1,507.89			
1	4/30/2023	9999 Prior Period Adjustment	35800	UU	11,101.36			
		To close out prior year adjustments to RE						
2	4/30/2023	11000 Investments	11000	B. 2	2,148.98			
2	4/30/2023	Interest and other income	44500	B. 2		2,148.98		
		To book investment income						
3	4/30/2023	Increase in Market Value of Short Term Investm	11002	B. 2		45.79		
3	4/30/2023	Unrealized gain/loss on Market value of investm	91000	B. 2	45.79			
		to record the change of fair market value						
4	4/30/2023	12020 Accounts Receivable - Other	12020	C.2 AJE #16		11,978.77		
4	4/30/2023	12020 Accounts Receivable - Other	12020	C.2 AJE #16		11,101.36		
4	4/30/2023	44100 Student Levy	44100	C.2 AJE #16	11,978.77			
4	4/30/2023	44150 GSAED Student Levy	44150	C.2 AJE #16	11,101.36			
		To reverse prior year A/R other received in 2022-2023 year end						
5	4/30/2023	18250 Office Furniture & Equipment:Accum. Am	18250	U. 1		1,028.94		
5	4/30/2023	18370 Computer Hardware (55%):Accum. amort	18370	U. 1		109.43		
5	4/30/2023	18705 Signage:Accumulated Amortization of Sig	18705	U. 1		38.33		
5	4/30/2023	Amortization expense	56600	U. 1	1,176.70			
		To record amortization for the year						
6	4/30/2023	21100 Accrued Liabilities	21100	CC	217.96			
6	4/30/2023	54400 WSIB Expense	54400	CC		217.96		
		To adjust WSIB payable from prior year						
7	4/30/2023	21100 Accrued Liabilities	21100	CC		47.67		
7	4/30/2023	21701 Accrued Wage Payable	21701	CC		3,859.38		
7	4/30/2023	21800 EI Payable	21800	CC	9.08			
7	4/30/2023	21850 CPP Payable	21850	CC	50.50			
7	4/30/2023	21900 Employees Income Tax Payable	21900	CC	159.58			
7	4/30/2023	54100 Wages & Salaries	54100	CC	3,859.38			
7	4/30/2023	54100 Wages & Salaries	54100	CC		159.58		
7	4/30/2023	54200 EI Expense	54200	CC		9.08		
7	4/30/2023	54300 CPP Expense	54300	CC		50.50		
7	4/30/2023	54800 Ceridian payroll expense	54800	CC	47.67			
		To adjust wages payable for payroll period ending April 29, 2023 paid on May 02, 2023						
8	4/30/2023	13200 Prepaid Expenses	13200	L.1, L. 2	248.23			
8	4/30/2023	56850 Insurance	56850	L.1, L. 2		248.23		
		To adjust prepaid insurance at year end						
9	4/30/2023	21100 Accrued Liabilities	21100	CC, 999	500.00			
9	4/30/2023	56100 Accounting	56100	CC, 999		500.00		
		To adjust accrual based on board approval						
10	4/30/2023	10600 Chequing Bank Account	10600	A, A. 2		1,500.00		
10	4/30/2023	PayPal Account	10700	A, A. 2	1,500.00			
		To adjust paypal balance at year						

Fulcrum Publishing Society

Year End: April 30, 2023

Adjusting journal entries

Date: 5/1/2022 To 4/30/2023

Prepared by	Reviewed by	Finalized
AT 11/21/2023	DD 2/15/2024	

6. 4-1

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
end								
11	4/30/2023	12000 Accounts Receivable	12000	C. 1		300.00		
11	4/30/2023	23200 GST/HST Payable	23200	C. 1	34.51			
11	4/30/2023	41260 Online Advertising	41260	C. 1	265.49			
To reverse the receivable from Dawn Reber								
12	4/30/2023	13200 Prepaid Expenses	13200		150.63			
12	4/30/2023	23200 GST/HST Payable	23200			360.32		
12	4/30/2023	23200 GST/HST Payable	23200			415.48		
12	4/30/2023	23200 GST/HST Payable	23200			152.79		
12	4/30/2023	54700 Employee Benefits	54700		415.48			
12	4/30/2023	56760 Board Expense	56760		152.79			
12	4/30/2023	56850 Insurance	56850		209.69			
To adjust the HST claimed for insurance that should not be								
13	4/30/2023	21100 Accrued Liabilities	21100			308.27		
13	4/30/2023	56870 Internet expenses	56870		87.03			
13	4/30/2023	57950 Website expense	57950		221.24			
To record accrued liabilities from cut-off testing subsequent to year end								
					47,190.11	47,190.11		
Net Income (Loss)			22,879.88					



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February 21, 2024
Confidential

Fulcrum Publishing Society
631 King Edward Ave
Ottawa ON K1N 6N5

Attention: Keelan Buck, President

Dear Keelan:

Re: Independence letter

We have been engaged to audit the financial statements of Fulcrum Publishing Society for the year ending April 30, 2023.

The purpose of this letter is to communicate with you regarding all relationships between Fulcrum Publishing Society and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

The following comments have been prepared to facilitate our discussion with you regarding independence matters.

We are not aware of any relationships between Fulcrum Publishing Society and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from May 1, 2022 to February 21, 2024.

The total fees charged during the period covered by the financial statements for audit and non-audit services provided by the Firm and network firms to the entity and components controlled by the entity were as follows:

Audit: \$ 5,500

This letter is intended solely for the use of the audit committee, the board of directors, management, and others within the organization and should not be used for any other purpose.

We look forward to discussing with you the matters addressed in this letter at our upcoming meeting on April 13, 2024.

Yours truly,

MKP Professional Corporation

Dome Duong, CPA, CA, MBA

Partner

MKP Professional Corporation

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



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February 21, 2024
Confidential

Fulcrum Publishing Society
631 King Edward Ave
Ottawa ON K1N 6N5

Attention: Keelan Buck, President

Dear Keelan:

This letter has been prepared to assist you with your review of the financial statements of Fulcrum Publishing Society for the year ending April 30, 2023. We look forward to meeting with you and discussing the matters outlined below.

Audit Status

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by the Board of Directors;
2. Completing our discussions with the Board of Directors
3. Obtaining evidence of the Board's approval of the financial statements;

Once these items have been completed, we will date and sign our auditor's report.

Significant Matters Arising

Other matters

We identified the following significant matters:

- a. There are long outstanding A/R from prior year for advertising revenue on the aging A/R summary. This should be reviewed and written off if not collectible.
- b. There are outstanding cheques we observed on your bank reconciliation report that should be reviewed and adjusted. These outstanding items will become stale dated and impact the actual bank balances.
- c. It appears that the HST is being claimed on insurance payments and group benefit payments. The PST portion should be expensed, and the tax code on Quickbooks online should be changed to "exempt".

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit itself. MKP did however experience a delay starting the audit as a result of staffing issues, which caused delays in our scheduling of the actual start date of the audit. Our plan to mitigate this going forward is to ensure we communicate with you in advance and ensure we've assembled the audit team for a timely completion of the audit.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 3 to the financial statements.

- a. There were no significant changes in accounting policies.
- b. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- c. We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- a. Accrued liabilities;
- b. Book value of capital assets;

Based on audit work performed, we are satisfied with the estimates made by management.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Uncorrected Misstatements

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements for the current period have been corrected with the exception of the following:

#	Nature of uncorrected misstatement	Effect on the financial statements	Management's reason for not correcting
1	Accounts receivable	Increases both receivables by \$484.	Not considered material
2	Outstanding cheques	Bank balance are not correct.	Not considered material

There are no uncorrected misstatements from prior year financial statements.

We would like to discuss these uncorrected misstatements and the implications of not correcting them in relation to both the current and future financial statements. Our request is for all the uncorrected misstatements to be corrected.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of TCWG.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

Significant Deficiencies in Internal Control (continued)

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies. apart from those outlined below:

#	Nature of significant deficiency	Implication for the financial statements	Recommendation
1	The use of journal entries and no indicators of review by the board	Risk for errors and fraudulent entries.	The board of directors should review and scrutinize the entries, and stay alert for any unusual entries. The board should also review the financial statements monthly to mitigate such risks.
Management response: Simon Coakley agreed that the board should be actively review the financials in greater detail. Issue also discussed with Keelan Buck.			
2	Expense reimbursements are paid through Ceridian	There is no oversight to obtain a secondary approval before the payment occurs which increases the chance for fraud.	The expense reimbursements should occur outside of Ceridian and by formal cheque, expense review, and board approval.
Management response: Simon Coakley would like to consider alternatives to this process and the recommendation above would be suitable to mitigate the risk of fraud from occurring.			
3	All bookkeeping is done solely by Simon Coakley, including the bank reconciliations and payroll approval processes.	There is concern for errors and fraud from occurring when there is no second person to review and provide oversight.	IAt a minimum, we suggest the board play an active role in reviewing the financial statements on a monthly basis, and to approve payroll for accuracy before its processed.
Management response: Simon Coakley has suggested the board should be more involved over the financial statement oversight.			

Written Representations

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of TCWG of Fulcrum Publishing Society to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

MKP Professional Corporation

Dome Duong, CPA, CA, MBA

Partner

MKP Professional Corporation

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

Encl.

Agreed on behalf of the management of Fulcrum Publishing Society by:



Mr. Keelan Buck, President

March 29, 2024

Date signed