DAILY PUBLICATIONS SOCIETY
SOCIÉTÉ DE PUBLICATION DU DAILY

Financial Statements

April 30, 2023

DAILY PUBLICATIONS SOCIETY
SOCIÉTÉ DE PUBLICATION DU DAILY

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Amstutz Inc.

Comptables Professionnels Agréés

INDEPENDENT AUDITORS' REPORT

To the Directors of
DAILY PUBLICATIONS SOCIETY / SOCIÉTÉ DE PUBLICATION DU DAILY

Opinion

We have audited the financial statements of DAILY PUBLICATIONS SOCIETY / SOCIÉTÉ DE PUBLICATION DU DAILY (the Organization), which comprise the statement of financial position as at April 30, 2023, and the statements of operations, 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, 2023, 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.

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 independant 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 audit 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 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.

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.

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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 of 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.

Amstutz Inc.

By: R. Amstutz, CPA auditor
September 27, 2023
Montreal, Quebec
Permit No: A105202

DAILY PUBLICATIONS SOCIETY
SOCIÉTÉ DE PUBLICATION DU DAILY
Statement of Financial Position
as at April 30, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 148,433	$ 490,366
Term deposit	240,000	-
Accounts receivable (Note 3)	14,939	14,718
Prepaid expenses	5,075	5,075
	408,447	510,159
CAPITAL ASSETS (Note 4)	16,010	17,923
	$ 424,457	$ 528,082
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 7 328	$ 62,358
Salaries and commissions payable	5,578	3,911
Current portion of long-term debt	40,000	-
	52,906	66,269
LONG-TERM DEBT (Note 5)	-	40,000
	52,906	106,269
NET ASSETS		
Restricted		
Emergency reserve	150,000	150,000
Operations reserve	75,000	75,000
Invested in capital assets	16,010	17,923
Unrestricted	130,541	178,890
	371,551	421,813
	$ 424,457	$ 528,082

ON BEHALF OF THE BOARD

....................,director

....................,director

The accompanying notes form an integral part of the financial statements

DAILY PUBLICATIONS SOCIETY
SOCIÉTÉ DE PUBLICATION DU DAILY
Statement of Changes in Net Assets
year ended April 30, 2023

	Restricted				2 0 2 3
	Emergency reserve	Operations reserve	Invested in capital assets	Unrestricted	Total
Balance, beginning of year	$ 150,000	$ 75,000	$ 17,923	$ 178,890	$ 421,813
(Deficiency) of revenues over expenses	-	-	(1,913)	(48,349)	(50,262)
Balance, end of year	$ 150,000	$ 75,000	$ 16,010	$ 130,541	$ 371,551

	Restricted				2 0 2 2
	Emergency reserve	Operations reserve	Invested in capital assets	Unrestricted	Total
Balance, beginning of year	$ 150,000	$ 75,000	$ 7,675	$ 171,258	$ 403,933
Excess of revenues over expenses	-	-	10,248	7,632	17,880
Balance, end of year	$ 150,000	$ 75,000	$ 17,923	$ 178,890	$ 421,813

The accompanying notes form an integral part of the financial statements.

DAILY PUBLICATIONS SOCIETY
SOCIÉTÉ DE PUBLICATION DU DAILY
Statement of Operations
year ended April 30, 2023

	2023	2022
REVENUES		
Advertising	$ 16,581	$ 8,472
Student fees	315,837	318,009
Government assistance		
Canada Emergency Wage Subsidy (CEWS)	-	30,749
Canada Emergency Rent Subsidy (CERS)	-	3,990
Other	4,155	236
	336,573	361,456
EXPENSES (schedule)		
Selling	140,860	131,814
General and administrative	98,682	98,014
Printing and production	141,845	114,168
Financial	717	433
	382,104	344,429
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (CHARGES)	(45,531)	17,027
OTHER INCOME (CHARGES)		
Settlement of lawsuit	(15,000)	-
Property tax refund	5,228	-
Interest income	5,041	853
	(4,731)	853
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	$ (50,262)	$ 17,880

The accompanying notes form an integral part of the financial statements

DAILY PUBLICATIONS SOCIETY
SOCIÉTÉ DE PUBLICATION DU DAILY
Statement of Cash Flows
year ended April 30, 2023

	2023	2022
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	$ (50,262)	$ 17,880
Item not affecting working capital		
Amortization	4,955	5,296
	(45,307)	23,176
Changes in non cash operating working capital		
Accounts receivable	(221)	3,899
Accounts payable and accrued liabilities	(55,030)	(5,017)
Salaries and commissions payable	1,667	(6,761)
	(98,891)	15,297
INVESTING ACTIVITIES		
Acquisition of capital assets	(3,042)	(15,260)
	(3,042)	(15,260)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(101,933)	37
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	490,366	490,329
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 388,433	$ 490,366

Cash and cash equivalents are comprised of the following:

Cash	$ 148,433	$ 490,366
Term deposit	240,000	-
	$ 388,433	$ 490,366

The accompanying notes form an integral part of the financial statements

1. STATUS AND PURPOSE OF THE ORGANIZATION

The Organization is a not-for-profit organization registered under the Income Tax Act which publishes the McGill University student newspapers, The McGill Daily and Le Délit, and operates their websites, www.mcgilldaily.com and www.delitfrancais.com in Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization also applies the Canadian standards for private enterprises to the extent that these standards address topics not addressed in Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Advertising revenue is recognized when advertisements are published in the Organization's newspapers. Student fee revenues is recognized on a straight-line basis over the year. Interest income is recorded as revenue when it is earned.

Contributed materials and services

Contributed materials and services received in the normal course of operations that would have otherwise been purchased are recognized at the fair market value of the related materials and services contributed.

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Cash and cash equivalents

The Organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets

Capital assets are recorded at cost. They are amortized over their respective estimated useful lives using the declining balance method at the following annual rate:

Office equipment	20%
Computer equipment	30%
Photographic equipment	30%
Typesetting equipment	20%
Computer software	20%

Long-lived assets

The Organization tests long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed by comparing the carrying amount to the estimated undiscounted future net cash flows the long-lived assets are expected to generate, through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

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 cost or amortized cost.

Financial assets measured at amortized cost include cash, term deposit and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, salaries and commissions payable and long-term debt.

Government assistance

Subsidies are accounted for using the cost reduction approach whereby the subsidies are credited to the related expenses in the period the expenses are incurred and when the criteria has been met.

3. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	$ 12,222	$ 10,166
Sales taxes receivable	2,717	4,552
	$ 14,939	$ 14,718

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Office equipment	$ 24,379	$ 13,845	$ 10,534	$ 13,167
Computer equipment	118,300	113,320	4,980	4,073
Photographic equipment	7,533	7,187	346	495
Typesetting equipment	4,687	4,641	46	58
Computer software	11,780	11,676	104	130
	$ 166,679	$ 150,669	$ 16,010	$ 17,923

5. LONG-TERM DEBT

Term loan of $60,000 granted under the Canada Emergency Business Account program (CEBA), non interest bearing for the initial term ending December 31, 2023. As of January 1, 2024, the loan will bear interest at a fixed rate of 5% per annum. If the Organization repays $40,000 of the original value of the loan by December 31, 2023, it will result in a loan foregiveness for the remaining portion of the loan.

It is the intention of the Organization to repay $40,000 of the loan on or before December 31, 2023. Consequently, $20,000 of the loan is expected to be forgiven and was accounted for as governemnt assistance in 2021.

6. FINANCIAL INSTRUMENTS

Risks and concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at the year end date, i.e. April 30, 2023.

Liquidity risk - liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and salaries and commissions payable.

Credit risk - credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable.

DAILY PUBLICATIONS SOCIETY
SOCIÉTÉ DE PUBLICATION DU DAILY
Supplementary Information
as at April 30, 2023

SCHEDULE

		2023		2022
Selling				
Salaries, fringe benefits and commissions	$	140,020	$	131,287
Promotion		798		527
Travel		42		-
	$	140,860	$	131,814
General and Administrative				
Professional fees	$	37,360	$	42,805
Salaries and fringe benefits		27,581		19,708
Rent		16,277		16,277
Dues and subscriptions		5,635		6,155
General and office		5,126		6,157
Amortization		4,955		5,296
Insurance		1,226		1,183
Telecommunications		522		433
	$	98,682	$	98,014
Printing and production				
Editing honoraria	$	75,310	$	66,120
Printing		60,860		38,988
Graphic design		4,826		8,987
Other		849		73
	$	141,845	$	114,168
Financial				
Bank charges	$	717	$	433
	$	717	$	433