

McMaster Association Of Part-Time Students

Financial Statements

December 31, 2006

PETTINELLI, MASTROLUISI LLP
CHARTERED ACCOUNTANTS

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Auditors' Report

To the Directors of McMaster Association Of Part-Time Students

We have audited the balance sheet of McMaster Association Of Part-Time Students as at December 31, 2006 and the statements of financial activities and accumulated net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of McMaster Association of Part-Time Students as at December 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Pettinelli, Mastroluisi LLP

Chartered Accountants

HAMILTON, ONTARIO

McMaster Association Of Part-Time Students

Balance Sheet

	December 31	
	2006	2005
Assets		
Current assets		
Cash and short-term investments	\$ 278,905	\$ 317,058
Loan receivable	5,000	-
Student fees receivable	12,145	117,771
Interest receivable	2,534	3,332
Prepaid expenses	<u>547</u>	<u>552</u>
	299,131	438,713
Office furniture and equipment (Note 3)	<u>16,599</u>	<u>18,072</u>
	<u>\$ 315,730</u>	<u>\$ 456,785</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 62,101	\$ 57,909
Operating Fund		
Balance at beginning of the year	398,877	313,803
Excess (deficiency) of revenue over expenses for the year	<u>(145,247)</u>	<u>85,073</u>
Balance at end of the year	<u>253,629</u>	<u>398,876</u>
Accumulated net assets		
Operating Fund (Note 4)	<u>253,629</u>	<u>398,876</u>
	<u>\$ 315,730</u>	<u>\$ 456,785</u>

APPROVED BY THE BOARD:

_____, Director

_____, Director

McMaster Association Of Part-Time Students

Statement of Financial Activities and Accumulated Net Assets

Operating Fund

	Year ended December 31	
	2006	2005
Revenue		
Student fees	\$ 296,777	\$ 279,251
Interest	9,740	7,160
Other	60	907
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	306,577	287,318
Expenses		
Salaries and benefits	124,749	123,759
Newsletter	20,104	9,684
Handbook	14,279	14,668
Awards dinner/receptions	8,769	10,918
Office and general	6,678	7,527
Professional fees	5,715	2,836
Amortization	5,020	5,585
Awards and recognition	3,441	1,962
University administrative fees	2,968	2,969
Meetings	2,926	1,946
Telephone	2,751	2,306
CCE graduation ceremony	1,300	1,284
Public relations	1,132	7,164
Board development	609	728
Staff travel	522	248
Insurance	378	378
Computer software	319	-
Postage	164	146
Executive Director search	-	5,658
Seminars	-	2,379
Donations	-	100
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	201,824	202,245
Excess of revenue over expenses from operations for the year	104,753	85,073
Gift to McMaster University (Note 5)	(250,000)	-
Excess (deficiency) of revenue over expenses for the year	(145,247)	85,073
Accumulated net assets at beginning of the year	398,876	313,803
Accumulated net assets at end of the year	<u>\$ 253,629</u>	<u>\$ 398,876</u>

McMaster Association Of Part-Time Students

Statement of Cash Flows

Operating Fund

	Year ended December 31	
	2006	2005
Operating activities		
Cash provided by (used for) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (145,247)	\$ 85,073
Items not involving cash		
Amortization	<u>5,020</u>	<u>5,585</u>
	(140,227)	90,658
Net change in non-cash working capital balances related to operations(Note 6)	<u>105,621</u>	<u>(120,089)</u>
Cash deficiency from operations	(34,606)	(29,431)
Cash provided by (used for) investing activities		
Purchase of office furniture and equipment	<u>(3,547)</u>	<u>-</u>
Decrease in cash during the year	(38,153)	(29,431)
Cash and equivalents at beginning of the year	<u>317,058</u>	<u>346,489</u>
Cash and equivalents at end of the year	<u>\$ 278,905</u>	<u>\$ 317,058</u>
Cash and equivalents comprise		
Cash	\$ 129,170	\$ 132,010
Term deposits and short-term investments	<u>149,735</u>	<u>185,048</u>
	<u>\$ 278,905</u>	<u>\$ 317,058</u>

McMaster Association Of Part-Time Students

Notes to Financial Statements

December 31, 2006

1. Background

McMaster Association Of Part-Time Students promotes the academic interests of part-time students, a cultural and social environment of benefit to them and the interests of McMaster University with the community. In addition, it presents information and concerns to the University regarding the needs of the community pertaining to part-time studies. The Association is a non-profit organization which was incorporated pursuant to Letters Patent dated October 1, 1997 and is exempt from income tax under the Income Tax Act.

2. Significant accounting policies

The financial statements include the following significant policies:

Use of estimates

The financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from these estimates.

Revenue recognition

Revenue from students' fees is recognized when received, or receivable if the amount to be received can be reasonably determined and collection is reasonably assured.

Office furniture and equipment

Office furniture and equipment are stated at cost. Amortization is based on the estimated useful lives of the assets and is computed using the straight-line method as follows:

Furniture, fixtures and equipment	10 Years
Computer equipment	4 Years

Expenditures for repairs and maintenance are charged to income as incurred.

3. Office furniture and equipment

			December 31	
	Cost	Accumulated Amortization	2006 Net Book Value	2005 Net Book Value
Furniture, fixtures and equipment	\$ 27,379	\$ 13,440	\$ 13,939	\$ 16,677
Computer equipment	14,937	12,277	2,660	1,395
	<u>\$ 42,316</u>	<u>\$ 25,717</u>	<u>\$ 16,599</u>	<u>\$ 18,072</u>

McMaster Association Of Part-Time Students

Notes to Financial Statements

December 31, 2006

4. Accumulated net assets

	December 31	
	2006	2005
Invested in office furniture and equipment	\$ 16,599	\$ 18,072
Unrestricted	<u>237,030</u>	<u>380,804</u>
	<u>\$ 253,629</u>	<u>\$ 398,876</u>

5. Gift to McMaster University

The Association made a gift in the amount of \$250,000 to McMaster University to establish the Mel and Marilyn Hawkrigg Bursaries for Part-Time Students. Pursuant to the agreement, McMaster University will contribute an additional \$250,000 in accordance with the Province of Ontario's matching ceilings under the Ontario Trust for Student Support.

The investment income earned on this endowment will be administered by the University's Student Financial Aid and Scholarships Office and used to provide funding for the bursaries to be granted to students enrolled on a part-time basis in a degree programme and who demonstrate financial need. The bursaries granted each year will be referred to as the Mel and Marilyn Hawkrigg Part-Time Student Bursaries.

6. Statement of cash flows

The net change in non-cash working capital balances related to operations represents the changes in student fees receivable, interest receivable, prepaid expenses and accounts payable and accrued liabilities.

7. Comparative balances

Certain of the comparative balances have been restated to conform with the presentation adopted for 2006.