

**McMaster Association Of Part-Time Students**

**Financial Statements**

**December 31, 2007**

**PETTINELLI, MASTROLUISI LLP**  
CHARTERED ACCOUNTANTS

TELEPHONE (905) 522-6555  
FACSIMILE (905) 522-6574

6<sup>TH</sup> FLOOR  
ONE JAMES STREET SOUTH  
HAMILTON, ONTARIO  
• L8P 4R5

March 5, 2008

**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, 2007 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, 2007 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  
Licensed Public Accountants

Hamilton, Ontario

# McMaster Association Of Part-Time Students

## Balance Sheet

---

	December 31	
	2007	2006
<b>Assets</b>		
Current assets		
Cash and short-term investments	\$ 384,775	\$ 278,905
Loan receivable	2,000	5,000
Student fees receivable	9,432	12,145
Interest receivable	1,553	2,534
Prepaid expenses	-	547
	<u>397,760</u>	<u>299,131</u>
Office furniture and equipment (Note 3)	<u>18,252</u>	<u>16,599</u>
	<u>\$ 416,012</u>	<u>\$ 315,730</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 73,452	\$ 62,101
<b>Accumulated net assets</b>		
Operating Fund (Note 4)	253,629	253,629
Special Projects Reserve Fund (Note 5)	<u>88,931</u>	<u>-</u>
	<u>342,560</u>	<u>253,629</u>
	<u>\$ 416,012</u>	<u>\$ 315,730</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	
	2007	2006
Revenue		
Student fees	\$ 307,132	\$ 296,777
Interest	8,401	9,740
Other	-	60
	<u>315,533</u>	<u>306,577</u>
Expenses		
Salaries and benefits	143,726	124,749
Newsletter	16,157	20,104
Handbook	15,655	14,279
Professional fees	9,059	5,715
Awards dinner/receptions	8,931	8,769
Office and general	5,999	6,678
Amortization	5,384	5,020
Awards and recognition	3,475	3,441
Staff travel	3,458	522
Meetings	3,189	2,926
University administrative fees	3,071	2,968
Telephone	2,666	2,751
CCE graduation ceremony	2,159	1,300
Board development	1,426	609
Public relations	1,117	1,132
Computer software	532	319
Insurance	378	378
Postage	220	164
	<u>226,602</u>	<u>201,824</u>
Excess of revenue over expenses from operations for the year	88,931	104,753
Gift to McMaster University (Note 6)	<u>-</u>	<u>(250,000)</u>
Excess (deficiency) of revenue over expenses for the year	88,931	(145,247)
Accumulated net assets at beginning of the year	<u>253,629</u>	<u>398,876</u>
	342,560	253,629
Transfer to Special Projects Reserve Fund (Note 5)	<u>(88,931)</u>	<u>-</u>
Accumulated net assets at end of the year	<u>\$ 253,629</u>	<u>\$ 253,629</u>

# McMaster Association Of Part-Time Students

## Statement of Cash Flows

### Operating Fund

---

	Year ended December 31	
	2007	2006
Operating activities		
Cash provided by (used for) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 88,931	\$ (145,247)
Items not involving cash		
Amortization	<u>5,384</u>	<u>5,020</u>
	94,315	(140,227)
Net change in non-cash working capital balances related to operations(Note 7)	<u>18,592</u>	<u>105,621</u>
Cash flow (deficiency) from operations	112,907	(34,606)
Cash provided by (used for) investing activities		
Purchase of office furniture and equipment	<u>(7,037)</u>	<u>(3,547)</u>
Increase (decrease) in cash during the year	105,870	(38,153)
Cash and equivalents at beginning of the year	<u>278,905</u>	<u>317,058</u>
Cash and equivalents at end of the year	<u>\$ 384,775</u>	<u>\$ 278,905</u>
Cash and equivalents comprise		
Cash	\$ 258,039	\$ 132,010
Term deposits and short-term investments	<u>126,736</u>	<u>185,048</u>
	<u>\$ 384,775</u>	<u>\$ 278,905</u>

# McMaster Association Of Part-Time Students

## Notes to Financial Statements

December 31, 2007

---

### 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

The Association follows the deferral method of accounting for contributions and reports on a fund accounting basis. Under this method, unrestricted contributions are recognized as operating fund revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Net investment income is recognized as income of the operating fund when earned.

#### Fund accounting

##### Operating Fund

Revenue and expenses related to day-to-day activities of the Association are reported in the Operating Fund.

##### Special Project Reserve Fund

In fiscal 2007, the Association approved the creation of an internally restricted special project reserve fund for the purpose of funding future projects approved by the Board.

#### 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.

# McMaster Association Of Part-Time Students

## Notes to Financial Statements

December 31, 2007

---

### 3. Office furniture and equipment

			December 31	
			2007	2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture, fixtures and equipment	\$ 27,379	\$ 16,178	\$ 11,201	\$ 13,939
Computer equipment	<u>21,973</u>	<u>14,922</u>	<u>7,051</u>	<u>2,660</u>
	<u>\$ 49,352</u>	<u>\$ 31,100</u>	<u>\$ 18,252</u>	<u>\$ 16,599</u>

### 4. Accumulated net assets

	December 31	
	2007	2006
Invested in office furniture and equipment	\$ 18,252	\$ 16,599
Unrestricted	<u>235,377</u>	<u>237,030</u>
	<u>\$ 253,629</u>	<u>\$ 253,629</u>

### 5. Special Project Reserve Fund

In November 2007, the Association's Board of Directors declared that the 2007 operating surplus be placed in a newly created Special Projects Reserve Fund, from which allocations to projects approved by the Board would be made in the future. The amount transferred to this fund in 2007 was \$88,931.

### 6. Gift to McMaster University

In 2006, 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 contributed 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.

### 7. Statement of cash flows

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