

**McMaster Association Of
Part-Time Students**

Financial Statements

December 31, 2008

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, 2008 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, 2008 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	
	2008	2007
Assets		
Current assets		
Cash and short-term investments	\$ 258,711	\$ 384,775
Loan receivable	-	2,000
Student fees receivable	8,754	9,432
Interest receivable	<u>1,186</u>	<u>1,553</u>
	268,651	397,760
Office furniture and equipment (Note 3)	<u>12,868</u>	<u>18,252</u>
	<u>\$ 281,519</u>	<u>\$ 416,012</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 28,665	\$ 73,452
Accumulated net assets		
Operating Fund (Note 4)	252,854	253,629
Special Projects Reserve Fund (Note 5)	<u>-</u>	<u>88,931</u>
	<u>252,854</u>	<u>342,560</u>
	<u>\$ 281,519</u>	<u>\$ 416,012</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	
	2008	2007
Revenue		
Student fees	\$ 315,228	\$ 307,132
Interest	<u>7,069</u>	<u>8,401</u>
	322,297	315,533
Expenses		
Salaries and benefits	162,634	143,726
Professional fees	19,912	9,059
Handbook	15,941	15,655
Awards dinner/receptions	15,749	8,931
Newsletter	9,337	16,157
Staff travel	5,775	3,458
Amortization	5,384	5,384
Office and general	5,152	5,999
Awards and recognition	4,586	3,475
Public relations	4,569	1,117
University administrative fees	4,180	3,071
Meetings	3,060	3,189
Telephone	2,828	2,666
Seminars	2,747	-
Board development	2,444	1,426
CCE graduation ceremony	1,426	2,159
Computer software	630	532
Insurance	432	378
Postage	<u>217</u>	<u>220</u>
	<u>267,003</u>	<u>226,602</u>
Excess of revenue over expenses from operations for the year	55,294	88,931
Gift to McMaster University (Note 6)	<u>(145,000)</u>	<u>-</u>
Excess (deficiency) of revenue over expenses for the year	(89,706)	88,931
Accumulated net assets at beginning of the year	<u>253,629</u>	<u>253,629</u>
	163,923	342,560
Transfer from (to) Special Projects Reserve Fund (Note 5)	<u>88,931</u>	<u>(88,931)</u>
Accumulated net assets at end of the year	<u>\$ 252,854</u>	<u>\$ 253,629</u>

McMaster Association Of Part-Time Students

Statement of Cash Flows

Operating Fund

	Year ended December 31	
	2008	2007
Operating activities		
Cash provided by (used for) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (89,706)	\$ 88,931
Items not involving cash		
Amortization	<u>5,384</u>	<u>5,384</u>
	(84,322)	94,315
Net change in non-cash working capital balances related to operations (Note 7)	<u>(41,742)</u>	<u>18,592</u>
Cash flow (deficiency) from operations	(126,064)	112,907
Cash provided by (used for) investing activities		
Purchase of office furniture and equipment	<u>-</u>	<u>(7,037)</u>
Increase (decrease) in cash during the year	(126,064)	105,870
Cash and equivalents at beginning of the year	<u>384,775</u>	<u>278,905</u>
Cash and equivalents at end of the year	<u>\$ 258,711</u>	<u>\$ 384,775</u>
Cash and equivalents comprise		
Cash	\$ 158,890	\$ 258,039
Term deposits and short-term investments	<u>99,821</u>	<u>126,736</u>
	<u>\$ 258,711</u>	<u>\$ 384,775</u>

McMaster Association Of Part-Time Students

Notes to Financial Statements

December 31, 2008

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 Projects Reserve Fund

In fiscal 2007, the Association approved the creation of an internally restricted special projects 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, 2008

3. Office furniture and equipment

			December 31	
			2008	2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture, fixtures and equipment	\$ 27,379	\$ 18,916	\$ 8,463	\$ 11,201
Computer equipment	<u>21,973</u>	<u>17,568</u>	<u>4,405</u>	<u>7,051</u>
	<u>\$ 49,352</u>	<u>\$ 36,484</u>	<u>\$ 12,868</u>	<u>\$ 18,252</u>

4. Accumulated net assets

Accumulated net assets of the operating fund comprise the following:

	December 31	
	2008	2007
Invested in office furniture and equipment	\$ 12,868	\$ 18,252
Unrestricted	<u>239,986</u>	<u>235,377</u>
	<u>\$ 252,854</u>	<u>\$ 253,629</u>

5. Special Projects 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.

Subsequently, and in light of the Association's 2008 pledge of a major gift to McMaster University (see Note 6), the Board of Directors decided to discontinue the Special Projects Reserve Fund and to transfer its balance back to the Operating Fund to assist with the initial gift in 2008 of \$145,000 to the University.

6. Gift to McMaster University

In 2008, the Association established The MAPS 30th Anniversary Part-Time Certificate Students Bursaries Award to be granted to students currently enrolled on a part-time basis and who demonstrate financial need. Preference will be given to students enrolled in a diploma or certificate program.

The Association has made a total pledge of \$505,000 to be honoured over a period of seven years with an initial gift of \$145,000 in 2008 and \$60,000 each year thereafter until 2014. The total gift of \$505,000 consists of \$400,000 of payments to an endowment fund and \$15,000 per year to be used to grant bursaries to eligible students. Commencing in 2015, disbursements will be made from the endowment fund when it has grown to \$400,000 and adequate investment income has been earned.

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Notes to Financial Statements

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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 and accounts payable and accrued liabilities.