

**McMaster Association Of  
Part-Time Students**

**Financial Statements**

**December 31, 2009**

**PETTINELLI, MASTROLUISI LLP**  
CHARTERED ACCOUNTANTS

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March 29, 2010

## **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, 2009 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, 2009 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

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|  | December 31              |                          |
|--|--------------------------|--------------------------|
|  | 2009                     | 2008                     |
| <b>Assets</b>  |                          |                          |
| Current assets   |                          |                          |
| Cash and short-term investments                          | \$ 196,988               | \$ 258,711               |
| Student fees receivable                                  | 13,771                   | 8,754                    |
| Interest receivable                                      | 96                       | 1,186                    |
| Accounts receivable                                      | <u>410</u>               | <u>-</u>                 |
|  | 211,265                  | 268,651                  |
| Furniture, equipment and leasehold improvements (Note 3) | <u>89,716</u>            | <u>12,868</u>            |
|  | <u><b>\$ 300,981</b></u> | <u><b>\$ 281,519</b></u> |
| <b>Liabilities</b>                                       |                          |                          |
| Current liabilities                                      |                          |                          |
| Accounts payable and accrued liabilities                 | \$ 44,508                | \$ 28,665                |
| <b>Accumulated net assets</b>                            |                          |                          |
| Operating Fund (Note 4)                                  | <u>256,473</u>           | <u>252,854</u>           |
|  | <u><b>\$ 300,981</b></u> | <u><b>\$ 281,519</b></u> |

APPROVED BY THE BOARD:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

# McMaster Association Of Part-Time Students

## Statement of Financial Activities and Accumulated Net Assets

### Operating Fund

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|  | Year ended December 31 |                   |
|--|------------------------|-------------------|
|  | 2009                   | 2008              |
| Revenue  |                        |                   |
| Student fees   | \$ 344,083             | \$ 315,228        |
| Interest   | <u>3,037</u>           | <u>7,069</u>      |
|  | 347,120                | 322,297           |
| Expenses   |                        |                   |
| Salaries and benefits  | 171,940                | 162,634           |
| Handbook   | 18,798                 | 15,941            |
| Professional fees  | 16,524                 | 19,912            |
| Awards dinner/receptions                                     | 10,261                 | 15,749            |
| Amortization   | 8,330                  | 5,384             |
| Public relations   | 6,796                  | 4,569             |
| Awards and recognition                                       | 6,370                  | 4,586             |
| Staff travel   | 5,936                  | 5,775             |
| Canadian Alliance of Students Association<br>Newsletter      | 5,898                  | -                 |
| Office and general   | 5,879                  | 9,337             |
| University administrative fees                               | 5,080                  | 5,152             |
| Seminars   | 5,068                  | 4,180             |
| Board development  | 3,808                  | 2,747             |
| Telephone  | 3,635                  | 2,444             |
| Meetings   | 3,505                  | 2,828             |
| CCE graduation ceremony                                      | 2,414                  | 3,060             |
| Computer software  | 1,573                  | 1,426             |
| Insurance  | 910                    | 630               |
| Postage  | 513                    | 432               |
|  | <u>263</u>             | <u>217</u>        |
|  | <u>283,501</u>         | <u>267,003</u>    |
| Excess of revenue over expenses from operations for the year | 63,619                 | 55,294            |
| Gift to McMaster University (Note 5)                         | <u>(60,000)</u>        | <u>(145,000)</u>  |
| Excess (deficiency) of revenue over expenses for the year    | 3,619                  | (89,706)          |
| Accumulated net assets at beginning of the year              | <u>252,854</u>         | <u>253,629</u>    |
|  | 256,473                | 163,923           |
| Transfer from Special Projects Reserve Fund (Note 6)         | <u>-</u>               | <u>88,931</u>     |
| Accumulated net assets at end of the year                    | <u>\$ 256,473</u>      | <u>\$ 252,854</u> |

# McMaster Association Of Part-Time Students

## Statement of Cash Flows

### Operating Fund

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|   | Year ended December 31 |                   |
|---|------------------------|-------------------|
|   | 2009                   | 2008              |
| Operating activities  |                        |                   |
| Cash provided by (used for) operating activities                                  |                        |                   |
| Excess (deficiency) of revenue over expenses for the year                         | \$ 3,619               | \$ (89,706)       |
| Items not involving cash  |                        |                   |
| Amortization  | <u>8,330</u>           | <u>5,384</u>      |
|   | 11,949                 | (84,322)          |
| Net change in non-cash working capital balances<br>related to operations (Note 7) | <u>11,506</u>          | <u>(41,742)</u>   |
| Cash flow (deficiency) from operations  | 23,455                 | (126,064)         |
| <br>  |                        |                   |
| Cash provided by (used for) investing activities                                  |                        |                   |
| Purchase of furniture, equipment and leasehold improvements                       | <u>(85,178)</u>        | <u>-</u>          |
| Decrease in cash during the year  | (61,723)               | (126,064)         |
| Cash and equivalents at beginning of the year                                     | <u>258,711</u>         | <u>384,775</u>    |
| Cash and equivalents at end of the year   | <u>\$ 196,988</u>      | <u>\$ 258,711</u> |
| <br>  |                        |                   |
| Cash and equivalents comprise   |                        |                   |
| Cash  | \$ 191,988             | \$ 158,890        |
| Term deposits and short-term investments  | <u>5,000</u>           | <u>99,821</u>     |
|   | <u>\$ 196,988</u>      | <u>\$ 258,711</u> |

# McMaster Association Of Part-Time Students

## Notes to Financial Statements

**December 31, 2009**

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### 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.

#### Furniture, equipment and leasehold improvements

Furniture, equipment and leasehold improvements 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  |
| Leasehold improvements            | 10 Years |

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

# McMaster Association Of Part-Time Students

## Notes to Financial Statements

December 31, 2009

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### 3. Furniture, equipment and leasehold improvements

|                                   |                   |                          | December 31      |                  |
|-----------------------------------|-------------------|--------------------------|------------------|------------------|
|                                   |                   |                          | 2009             | 2008             |
|                                   | Cost              | Accumulated Amortization | Net Book Value   | Net Book Value   |
| Furniture, fixtures and equipment | \$ 88,200         | \$ 21,654                | \$ 66,546        | \$ 8,463         |
| Computer equipment                | 25,375            | 21,065                   | 4,310            | 4,405            |
| Leasehold improvements            | <u>20,956</u>     | <u>2,096</u>             | <u>18,860</u>    | <u>-</u>         |
|                                   | <u>\$ 134,531</u> | <u>\$ 44,815</u>         | <u>\$ 89,716</u> | <u>\$ 12,868</u> |

### 4. Accumulated net assets

Accumulated net assets of the operating fund comprise the following:

|   | December 31       |                   |
|---|-------------------|-------------------|
|   | 2009              | 2008              |
| Invested in furniture, equipment and leasehold improvements | \$ 89,716         | \$ 12,868         |
| Unrestricted  | <u>166,757</u>    | <u>239,986</u>    |
|   | <u>\$ 256,473</u> | <u>\$ 252,854</u> |

### 5. 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.

# **McMaster Association Of Part-Time Students**

## **Notes to Financial Statements**

**December 31, 2009**

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**6. 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 5), 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.

**7. 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, accounts receivable and accounts payable and accrued liabilities.

**8. Subsequent event**

Subsequent to the year end, the Association entered into an agreement with McMaster University to pledge \$1,000,000 to assist in the construction of a new Liberal Arts Building. The total gift of \$1,000,000 consists of ten annual payments of \$100,000 commencing in December 2010 and each year thereafter until 2019. The Association may amend the annual pledge amounts and payment schedule at any time.