

**McMaster Association Of
Part-Time Students**

Financial Statements

December 31, 2010

PETTINELLI, MASTROLUISI LLP
CHARTERED ACCOUNTANTS

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

6TH FLOOR
ONE JAMES STREET SOUTH
HAMILTON, ONTARIO
L8P 4R5

April 15, 2011

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, 2010 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, 2010 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	
	2010	2009
Assets		
Current assets		
Cash and short-term investments	\$ 166,878	\$ 196,988
Student fees receivable	21,773	13,771
Interest receivable	-	96
Accounts receivable	-	410
	<u>188,651</u>	<u>211,265</u>
Furniture, equipment and leasehold improvements (Note 3)	<u>70,856</u>	<u>89,716</u>
	<u>\$ 259,507</u>	<u>\$ 300,981</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 42,303	\$ 44,508
Accumulated net assets		
Operating Fund (Note 4)	<u>217,204</u>	<u>256,473</u>
	<u>\$ 259,507</u>	<u>\$ 300,981</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	
	2010	2009
Revenue		
Student fees	\$ 403,480	\$ 344,083
Interest	<u>338</u>	<u>3,037</u>
	403,818	347,120
Expenses		
Salaries and benefits	204,902	171,940
Amortization	19,690	8,330
Handbook	18,951	18,798
Awards and recognition	13,347	6,370
Awards dinner/receptions	11,157	10,261
Professional fees	9,706	16,524
Staff travel	7,348	5,936
Public relations	7,229	6,796
Office and general	6,412	5,080
University administrative fees	5,755	5,068
CCE graduation ceremony	5,000	1,573
Telephone	4,522	3,505
Meetings	3,180	2,414
Board development	2,439	3,635
Seminars	1,127	3,808
Canadian Alliance of Students Association	846	5,898
Computer software	828	910
Insurance	513	513
Postage	135	263
Newsletter	<u>-</u>	<u>5,879</u>
	<u>323,087</u>	<u>283,501</u>
Excess of revenue over expenses from operations for the year	80,731	63,619
Gifts to McMaster University (Note 5)	<u>(120,000)</u>	<u>(60,000)</u>
Excess (deficiency) of revenue over expenses for the year	(39,269)	3,619
Accumulated net assets at beginning of the year	<u>256,473</u>	<u>252,854</u>
Accumulated net assets at end of the year	<u>\$ 217,204</u>	<u>\$ 256,473</u>

McMaster Association Of Part-Time Students

Statement of Cash Flows

Operating Fund

	Year ended December 31	
	2010	2009
Operating activities		
Cash provided by (used for) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (39,269)	\$ 3,619
Items not involving cash		
Amortization	<u>19,690</u>	<u>8,330</u>
	(19,579)	11,949
Net change in non-cash working capital balances related to operations (Note 6)	<u>(9,702)</u>	<u>11,506</u>
Cash flow (deficiency) from operations	(29,281)	23,455
Cash provided by (used for) investing activities		
Purchase of furniture, equipment and leasehold improvements	<u>(829)</u>	<u>(85,178)</u>
Decrease in cash during the year	(30,110)	(61,723)
Cash and equivalents at beginning of the year	<u>196,988</u>	<u>258,711</u>
Cash and equivalents at end of the year	<u>\$ 166,878</u>	<u>\$ 196,988</u>
Cash and equivalents comprise		
Cash	\$ 166,878	\$ 191,988
Term deposits and short-term investments	<u>-</u>	<u>5,000</u>
	<u>\$ 166,878</u>	<u>\$ 196,988</u>

McMaster Association Of Part-Time Students

Notes to Financial Statements

December 31, 2010

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, 2010

3. Furniture, equipment and leasehold improvements

			December 31	
	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Furniture, fixtures and equipment	\$ 89,029	\$ 36,639	\$ 52,390	\$ 66,546
Computer equipment	25,375	23,674	1,701	4,310
Leasehold improvements	<u>20,956</u>	<u>4,191</u>	<u>16,765</u>	<u>18,860</u>
	<u>\$ 135,360</u>	<u>\$ 64,504</u>	<u>\$ 70,856</u>	<u>\$ 89,716</u>

4. Accumulated net assets

Accumulated net assets of the operating fund comprise the following:

	December 31	
	2010	2009
Invested in furniture, equipment and leasehold improvements	\$ 70,856	\$ 89,716
Unrestricted	<u>146,348</u>	<u>166,757</u>
	<u>\$ 217,204</u>	<u>\$ 256,473</u>

5. Gifts to McMaster University

The MAPS 30th Anniversary Part-Time Certificate Students Bursaries Award

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.

Liberal Arts Building

During the year, 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. In 2010, the Association paid \$60,000 towards the Liberal Arts Building pledge.

McMaster Association Of Part-Time Students

Notes to Financial Statements

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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, accounts receivable and accounts payable and accrued liabilities.