



2024

Financial Statements

 **MOHAWK**
COLLEGE

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

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THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Management's Responsibility for Financial Reporting

The financial statements of The Mohawk College of Applied Arts and Technology (the "College"), are the responsibility of management and have been approved by the Board of Governors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately accounted for and adequately safeguarded.

The College's liabilities have been reviewed by management. There are no material liabilities in either fact or contingency as at the date of this report that have been omitted from these financial statements.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit, Finance and Infrastructure Committee (the "Committee").

The Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The financial statements have been audited by BDO Canada LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. BDO Canada LLP has full and free access to the Committee.



President & CEO



Chief Financial Officer

June 11, 2024

Independent Auditor's Report

To the Board of Governors of Mohawk College of Applied Arts and Technology

Opinion

We have audited the financial statements of Mohawk College of Applied Arts and Technology (the "College"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2024, and the results of its operations, its cash flows, and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 2 of the financial statements which describes that certain comparative information presented for the year ended March 31, 2023 has been restated and the matter that gives rise to the restatement.

Our opinion is not modified in respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 12, 2024

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

March 31, 2024, with comparative figures for 2023

Statement 1

		2024	2023
			(Restated)
			(note 2)
ASSETS			
Current			
Cash	(note 3)	\$ 58,675,106	\$ 71,260,641
Investments	(note 3)	188,748,655	161,516,188
Accounts receivable		15,743,615	17,526,502
Grants receivable		6,011,452	8,089,918
Inventories		1,160,098	1,101,051
Prepaid expenses and other assets		8,665,000	6,004,887
Current portion of long-term receivable	(note 5)	1,197,028	1,141,999
		<u>280,200,954</u>	<u>266,641,186</u>
Long-term			
Long-term investments	(note 4)	1,319,885	1,357,603
Long-term receivable	(note 5)	24,281,615	25,478,643
Construction in progress		2,520,641	2,906,291
Capital assets	(notes 2 and 6)	187,749,941	189,667,750
		<u>215,872,082</u>	<u>219,410,287</u>
		<u>\$ 496,073,036</u>	<u>\$ 486,051,473</u>
LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 50,409,792	\$ 35,578,261
Deferred revenue	(note 7)	99,858,661	119,369,337
Vacation pay		10,129,972	8,712,906
Current portion of long-term debt	(note 8)	3,144,448	2,960,318
		<u>163,542,873</u>	<u>166,620,822</u>
Long-Term Liabilities			
Long-term debt	(note 8)	38,625,256	41,769,704
Capital lease obligation	(notes 2 and 9)	25,353,061	24,867,534
Asset retirement obligations	(note 10)	4,334,384	4,153,579
Post-employment benefits and compensated absences	(note 11)	6,755,000	6,548,000
		<u>75,067,701</u>	<u>77,338,817</u>
Deferred Contributions			
Deferred contributions	(note 12)	8,764,782	7,096,236
Deferred contributions related to construction in progress	(note 13)	-	371,922
Deferred contributions related to expenses of future periods	(note 14)	5,545,414	5,094,536
Deferred contributions related to capital assets	(note 15)	117,084,126	119,530,172
		<u>131,394,322</u>	<u>132,092,866</u>
Net Assets (statement 3)			
Net assets invested in capital assets	(notes 2 and 16)	32,510,157	30,662,856
Unrestricted net assets:			
Operating	(note 2)	16,200,895	11,713,521
Vacation pay		(10,129,972)	(8,712,906)
Post-employment benefits and compensated absences		(6,755,000)	(6,548,000)
Restricted net assets:			
Internally restricted assets		77,600,000	69,770,000
Endowment contributions	(note 17)	19,912,789	18,173,729
		<u>129,338,869</u>	<u>115,059,200</u>
Accumulated remeasurement losses (statement 5)		<u>(3,270,729)</u>	<u>(5,060,232)</u>
		<u>126,068,140</u>	<u>109,998,968</u>
		<u>\$ 496,073,036</u>	<u>\$ 486,051,473</u>

See accompanying notes to the financial statements

SIGNED ON BEHALF OF THE BOARD:

Approved by the Board of Governors

at the meeting of June 11, 2024

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Operations
For the year ended March 31, 2024, with comparative figures for 2023

Statement 2

		<u>2024</u>	<u>2023</u>
			(Restated) (note 2)
REVENUE			
Grants	(schedule 1)	\$ 107,179,767	\$ 109,251,773
Student fees	(note 18)	209,869,989	143,182,243
Ancillary	(schedule 1)	13,283,810	11,510,523
Amortization of deferred contributions		5,491,354	7,059,792
Amortization of deferred contributions related to capital assets		8,486,659	8,550,512
Other	(schedule 1)	19,892,675	15,260,995
		<u>364,204,254</u>	<u>294,815,838</u>
EXPENSES			
Salaries and benefits		193,344,100	164,637,578
Contracted services and professional fees		76,828,821	46,471,137
Supplies and other expenses	(note 2)	23,575,522	17,805,664
Utilities, maintenance and taxes		11,631,179	8,153,081
Instructional supplies		9,748,600	8,643,513
Ancillary	(schedule 2)	11,359,645	9,963,640
Scholarship, bursary and award payments		5,491,354	7,059,792
Amortization expense	(note 2)	15,325,355	16,177,126
Interest on long-term liabilities	(notes 2 and 9)	4,359,069	4,440,372
		<u>351,663,645</u>	<u>283,351,903</u>
EXCESS OF REVENUE OVER EXPENSES		<u>\$ 12,540,609</u>	<u>\$ 11,463,935</u>

See accompanying notes and schedules to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Changes in Net Assets
For the year ended March 31, 2024, with comparative figures for 2023

Statement 3

	2024					
	Invested in Capital Assets (note 16)	Unrestricted Operating	Vacation & post-employment benefits & compensated absences	Internally Restricted	Endowment Contributions (note 17)	Total
Balance, beginning of year	\$ 30,662,856	\$ 11,713,521	\$ (15,260,906)	\$ 69,770,000	\$ 18,173,729	\$ 115,059,200
(Deficiency) excess of revenue over expenses	(6,838,696)	21,043,343	(1,624,066)	(39,972)	-	12,540,609
Investment in capital assets	8,685,997	(4,399,812)	-	(4,286,185)	-	-
Change in internally imposed restrictions	-	(12,156,157)	-	12,156,157	-	-
Endowment contributions	-	-	-	-	1,739,060	1,739,060
Balance, end of year	<u>\$ 32,510,157</u>	<u>\$ 16,200,895</u>	<u>\$ (16,884,972)</u>	<u>\$ 77,600,000</u>	<u>\$ 19,912,789</u>	<u>\$ 129,338,869</u>

	2023 (Restated - note 2)					
	Invested in Capital Assets (note 16)	Unrestricted Operating	Vacation & post-employment benefits & compensated absences	Internally Restricted	Endowment Contributions (note 17)	Total
Balance, beginning of year	\$ 48,141,119	\$ 6,823,720	\$ (14,707,658)	\$ 62,073,000	\$ 17,954,380	\$ 120,284,561
Change in accounting policy (note 2)	(16,908,645)	-	-	-	-	(16,908,645)
Balance, beginning of year restated	31,232,474	6,823,720	(14,707,658)	62,073,000	17,954,380	103,375,916
(Deficiency) excess of revenue over expenses	(7,524,124)	20,183,862	(553,248)	(62,921)	-	12,043,569
Change in accounting policy (note 2)	(102,490)	(477,144)	-	-	-	(579,634)
(Deficiency) excess of revenue over expenses as restated	(7,626,614)	19,706,718	(553,248)	(62,921)	-	11,463,935
Investment in capital assets	7,534,140	(4,296,994)	-	(3,237,146)	-	-
Change in accounting policy (note 2)	(477,144)	477,144	-	-	-	-
Investment in capital assets restated	7,056,996	(3,819,850)	-	(3,237,146)	-	-
Change in internally imposed restrictions	-	(10,997,067)	-	10,997,067	-	-
Endowment contributions	-	-	-	-	219,349	219,349
Balance, end of year	<u>\$ 30,662,856</u>	<u>\$ 11,713,521</u>	<u>\$ (15,260,906)</u>	<u>\$ 69,770,000</u>	<u>\$ 18,173,729</u>	<u>\$ 115,059,200</u>

See accompanying notes to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Cash Flows
For the year ended March 31, 2024, with comparative figures for 2023

Statement 4

	2024	2023
Cash provided by (used in):		(Restated) (note 2)
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 12,540,609	\$ 11,463,935
Items not involving cash:		
Amortization expense (note 2)	15,325,355	16,177,126
Accretion expense	180,805	173,263
Change in capital lease obligation (note 2)	485,527	477,144
Net loss (income) of Mohawk College Enterprise	37,718	(259,402)
Increase in post-employment benefits and compensated absences	207,000	164,000
Gain on disposal of capital assets	20,910	20,158
Amortization of deferred contributions related to capital assets	(8,486,659)	(8,550,512)
	<u>20,311,265</u>	<u>19,665,712</u>
Changes in non-cash working capital items:		
Accounts receivable	1,782,887	(2,319,313)
Grants receivable	2,078,466	(2,307,109)
Inventories	(59,047)	122,269
Prepaid expenses and other assets	(2,660,113)	(197,924)
Accounts payable and accrued liabilities	14,831,531	14,045,040
Deferred revenue	(19,510,676)	53,127,701
Vacation pay	1,417,066	389,248
	<u>18,191,379</u>	<u>82,525,624</u>
INVESTING ACTIVITIES		
Purchase of investments, net	(25,442,964)	(27,308,037)
Long-term receivable	1,141,999	1,092,853
	<u>(24,300,965)</u>	<u>(26,215,184)</u>
CAPITAL ACTIVITIES		
Purchase of capital assets	(10,555,678)	(7,614,090)
Proceeds from sale of capital assets	12,520	75,514
Contributions for capital purposes	5,339,992	3,822,585
Construction in progress, net of deferred contributions	(2,499,648)	(2,058,899)
	<u>(7,702,814)</u>	<u>(5,774,890)</u>
FINANCING ACTIVITIES		
Contributions for endowment	1,739,060	219,349
Contributions for other restricted purposes, net	1,668,546	(1,115,346)
Contributions for expenses of future periods, net	779,577	563,918
Repayment of long-term debt	(2,960,318)	(2,868,910)
	<u>1,226,865</u>	<u>(3,200,989)</u>
(DECREASE) INCREASE IN CASH	(12,585,535)	47,334,561
CASH, BEGINNING OF YEAR	<u>71,260,641</u>	<u>23,926,080</u>
CASH, END OF YEAR	<u>\$ 58,675,106</u>	<u>\$ 71,260,641</u>

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Remeasurement Gains and Losses
For the year ended March 31, 2024, with comparative figures for 2023

Statement 5

	<u>2024</u>	<u>2023</u>
Accumulated remeasurement losses, beginning of year	\$ (5,060,232)	\$ (3,034,585)
Gains (losses) attributable to:		
Investments	1,434,083	(2,289,385)
Amounts reclassified to the statement of operations:		
Disposition of investments	355,420	263,738
Net remeasurement gains (losses) for the year	<u>1,789,503</u>	<u>(2,025,647)</u>
Accumulated remeasurement losses, end of year	<u>\$ (3,270,729)</u>	<u>\$ (5,060,232)</u>

See accompanying notes to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

DESCRIPTION OF ORGANIZATION

The Mohawk College of Applied Arts and Technology (the "College"), established in 1966, is an Ontario College of Applied Arts and Technology duly established pursuant to Ontario regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and provides postsecondary, vocationally oriented education in the areas of applied arts, business, health sciences and technology.

The College is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of presentation

The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

These financial statements do not reflect the assets, liabilities and results of operations of the various student organizations or The Mohawk College Foundation which is a separate public foundation.

(b) Revenue recognition

The College follows the deferral method of accounting for contributions, which include donations and government grants.

Operating grants from the Ministry of Colleges and Universities ("MCU") and other government agencies are recorded as revenue in the year to which they relate. Grants approved but not received at the end of the fiscal year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in the subsequent year.

Revenue from tuition fees, contracts and sales from ancillary operations is recognized when the services are provided, or the goods are sold and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions are recognized as revenue when received or receivable.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

(c) Inventories

Inventories consist primarily of items held for resale in the Campus Stores. Inventories are valued at the lower of cost and net realizable value.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

(d) Long term investments

The College controls Mohawk College Enterprise Corporation ("MCE") and accounts for the investment using the modified equity method. The equity earnings are recorded in other revenue. MCE undertakes and carries out educational training programs and consulting projects for and on behalf of businesses and industries. MCE is the exclusive provider of corporate training on behalf of the College. MCE is a for-profit organization and was incorporated under the Business Corporations Act (Ontario) by Certificate of Incorporation dated April 1, 2010. The Board of Directors is approved by the College and the Shareholder Declaration provides for limitations on certain activities and actions on the part of MCE without the express consent of the College.

(e) Construction in progress

Construction in progress costs are capitalized as work progresses. Once the construction has been completed, the total costs will be transferred to the various categories of capital assets and are amortized on a basis consistent with similar assets.

(f) Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Donated capital assets are recorded at their fair market value at the date of donation. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to residual value. Remaining capital assets are amortized on a straight-line basis over their estimated useful lives using the following rates:

Buildings	40 - 95 years
Portables & roof replacement	20 years
Major equipment	10 - 20 years
Site improvements	10 years
Furniture and equipment	5 years
Vehicles	5 years
Computers & software	3 years

(g) Vacation pay

The College recognizes vacation pay as an expense on the accrual basis.

(h) Retirement and post-employment benefits and compensated absences

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

- i. The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experienced gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

- ii. The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- iii. The cost of vesting and non-vesting sick leave benefits is actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.
- iv. The discount rate used in the determination of the above-mentioned liabilities is based on the effective yield of Ontario bonds (trading on the market) that approximate the weighted average duration of the cash flows for the employee future benefits.

(i) Capital lease obligations

A lease that transfers substantially all of the benefits and risks of ownership to the lessee is recorded as a tangible capital asset and the incurrence of a lease obligation. At inception, a tangible capital asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments, excluding executory costs, and the leased property's fair value at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of the organization's rate for incremental borrowing or the interest rate implicit in the lease. Leased tangible capital assets are amortized over the economic life of the leased property. Contingent rentals are expensed as incurred.

A lease on existing assets that is essentially a financing transaction and not a sale, as the organization still retains substantially all the benefits and risks incidental to ownership of the assets, is also recognized as a lease obligation. At inception, an obligation is recorded at an amount equal to the present value of the minimum lease payments, excluding executory costs. The College continues to recognize the assets at their carrying amounts at the time of the transaction. The difference between the proceeds of the lease and the amount of the lease obligation is recognized in operating results as a gain or loss in the period of inception

(j) Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(k) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at fair value or amortized cost. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value, unless the investment income is externally restricted, are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gains/losses are adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The College classifies fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(l) Internally restricted assets

Net assets internally restricted by the Board of Governors are for capital projects, strategic initiatives, and future operating expenses. Expenses require approval by the Board of Governors.

(m) Endowment contributions

Endowments represent restricted donations received by the College where the principal sum is held for investment while the income earned is expendable for the specific purpose outlined when the funds were donated.

(n) Management estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of fair value for long-term investments, allowance for doubtful accounts, useful lives of capital assets, asset retirement obligations and actuarial estimation of post-employment benefits and compensated absences liabilities.

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Notes to Financial Statements

For the year ended March 31, 2024

2. CHANGE IN ACCOUNTING POLICY

Effective April 1, 2023, the College adopted the new Public Sector Accounting Handbook Standard PS 3160 - Public Private Partnerships. During the process of identifying public private partnership arrangements, the College identified another alternative financing arrangement it had entered into in the past. While it was determined this arrangement is not within the scope of Section PS 3160, the new Section clarified the other standards the College should look to for guidance in accounting for the arrangement. The PSA Handbook requires that the transaction be accounted for as a sale and lease-back transaction (see note 9 for details). This change has been applied retroactively with restatement of prior periods. The impact of the change was as follows:

	As at April 1, 2022
Increase in capital assets	\$ 7,481,745
Increase in capital lease obligation	24,390,390
Decrease in invested in capital assets	(16,908,645)

	For the year ended March 31, 2023
Decrease in capital asset (accumulated amortization)	\$ (102,490)
Increase in capital lease obligation	477,144
Decrease in supplies and other expenses	(1,961,955)
Increase in amortization expense	102,490
Increase in interest on long-term liabilities	2,439,099

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

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For the year ended March 31, 2024

3. CASH AND INVESTMENTS:

The College's cash and investments include externally restricted amounts for specific purposes that are not available to be spent at the College's discretion. The amounts available for operations are as follows:

	2024	2023
Cash	\$ 58,675,106	\$ 71,260,641
Investments	188,748,655	161,516,188
Total Cash and Investments	247,423,761	232,776,829
Less amounts related to:		
Deferred contributions (note 12)	8,764,782	7,096,236
Deferred contributions related to expenses of future periods (note 14)	5,545,414	5,094,536
Endowments (note 17)	19,912,789	18,173,729
	\$ 213,200,776	\$ 202,412,328

The Canadian bank account earns interest at prime less 1.70%. Cash is carried at fair market value.

Investments are held with the College's investment management firm and consist of the following:

	Level	2024	2023
Pooled Investments:			
Fixed income	2	\$ 12,754,157	\$ 12,121,919
Equities	2	13,376,077	11,746,282
Cash	2	497,582	576,269
Total pooled investments		26,627,816	24,444,470
Segregated investments:			
Fixed income	1	160,265,798	119,393,593
Cash	1	1,855,041	17,678,125
Total segregated investments		162,120,839	137,071,718
Total investments		\$ 188,748,655	\$ 161,516,188

The total cost of the investment portfolio is \$190,060,568 (2023 – \$166,144,317).

There were no significant transfers between Levels 1 and 2 for the years ended March 31, 2024 and 2023. There were no transfers in or out of Level 3.

Maturity profile of fixed income held is as follows:

	March 31, 2024				Total
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	
Carrying value	\$49,907,918	\$98,091,385	\$22,976,051	\$2,044,601	\$173,019,955
Percent of total	29%	57%	13%	1%	100%

The College's fixed income portfolio has interest rates ranging from 0.8% to 6.18%. (2023 – 0.8% to 5.2%).

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For the year ended March 31, 2024

4. LONG-TERM INVESTMENTS:

Long-term investments are carried at cost and consist of:

			2024		2023
Investment in Land	(a)	\$	873,472	\$	873,472
Investment in Mohawk College Enterprise	(b)		446,413		484,131
		\$	1,319,885	\$	1,357,603

(a) In October 1995, the College purchased land in conjunction with Hillfield Strathallan College for undetermined future use.

(b) The College controls Mohawk College Enterprise Corporation ("MCE") and is the only registered holder of issued and outstanding MCE shares (2024 – \$100; 2023 – \$100). The financial position of MCE and the results of its operations and its cash flows are as follows:

Financial position			2024		2023
Total assets		\$	821,214	\$	1,093,935
Total liabilities			374,801		609,804
Total net assets			446,413		484,131
		\$	821,214	\$	1,093,935

Results of operations			2024		2023
Total revenue		\$	1,419,832	\$	1,896,648
Total expenses			1,457,550		1,637,246
Net (loss) income for the year			(37,718)		259,402
Surplus, beginning of year			484,031		224,629
Surplus, end of year		\$	446,313	\$	484,031

Cash flows			2024		2023
Cash flows provided by operating activities		\$	(195,840)	\$	217,583
Cash flows used in investing activities					(5,457)
Net cash flows		\$	(195,840)	\$	212,126

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Notes to Financial Statements

For the year ended March 31, 2024

5. LONG-TERM RECEIVABLE:

Long-term receivables held by the College consist of the following:

	2024	2023
Student ancillary fee receivables	\$ 25,478,643	\$ 26,620,642
Less: Current portion of long-term receivable	(1,197,028)	(1,141,999)
	\$ 24,281,615	\$ 25,478,643

The annual principal and interest payments on the long-term debt incurred to finance the construction of the David Braley Athletic and Recreation Centre (the "DBARC") will be provided by the future collection of compulsory student ancillary fees. The total principal and interest payments amount has been discounted at a rate of 4.762% (2023 – 4.762%).

6. CAPITAL ASSETS:

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value (Restated) (note 2)
Land	\$ 2,243,412	\$ -	\$ 2,243,412	\$ 2,250,912
Buildings	203,514,929	70,787,162	132,727,767	137,505,588
Portables & roof replacement	17,965,451	7,668,984	10,296,467	10,006,274
Major equipment	59,961,278	37,626,728	22,334,550	22,739,792
Site improvements	71,394,848	55,841,281	15,553,567	13,666,303
Furniture & equipment	25,515,591	22,591,147	2,924,444	2,388,255
Vehicles	1,782,847	1,522,043	260,804	135,645
Computers & software	31,470,642	30,061,712	1,408,930	974,981
	\$ 413,848,998	\$ 226,099,057	\$ 187,749,941	\$ 189,667,750

7. DEFERRED REVENUE:

Deferred revenue consists of the following:

	2024	2023
Student fees	\$ 89,108,318	\$ 102,597,076
Contracts	7,211,400	11,685,769
Ministry grants	958,581	2,468,492
Student residence	403,879	402,220
Other	2,176,483	2,215,780
	\$ 99,858,661	\$ 119,369,337

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Notes to Financial Statements

For the year ended March 31, 2024

8. LONG-TERM DEBT:

	2024	2023
Unsecured loan payable to the Ontario Financing Authority at 4.762%, payable in blended semi-annual instalments of \$1,198,162, due November 25, 2038.	\$ 25,480,455	\$ 26,622,454
Unsecured loan payable to the Ontario Financing Authority at 3.855%, payable in blended semi-annual instalments of \$486,267, due November 29, 2028.	4,384,545	5,165,406
Unsecured loan payable to the Ontario Financing Authority at 4.183%, payable in blended monthly instalments of \$40,673, due September 2, 2031.	3,137,334	3,457,699
Unsecured loan payable to the Ontario Financing Authority at 3.591%, payable in blended semi-annual instalments of \$525,650, due October 26, 2033.	8,767,370	9,484,463
	41,769,704	44,730,022
Less current portion	3,144,448	2,960,318
	\$ 38,625,256	\$ 41,769,704

Principal repayments for the next five years and thereafter:

2025	\$ 3,144,448
2026	3,248,834
2027	3,386,174
2028	3,528,799
2029	3,641,593
Thereafter	24,819,856
	\$ 41,769,704

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Notes to Financial Statements

For the year ended March 31, 2024

9. CAPITAL LEASE OBLIGATION:

In fiscal 2017, the College entered into a sale-leaseback transaction where the College sold a student residence building and land ("the Project") and leased back 100% of the assets for a 69-year period. The carrying value of the Project at the time of the transaction was \$8,096,683, while its fair value was \$22,000,000. The College received proceeds of \$20,500,000 for the sale and simultaneously incurred a lease obligation of \$22,000,000. In substance, this is a financing transaction and not a sale, as the College continues to retain substantially all the benefits and risks incidental to ownership of the Project. As a result, the College continued to recognize the Project at its carrying amount at the time of the transaction. As the fair value of the Project exceeded the proceeds received, the organization incurred an economic loss of \$1,500,000, which was recognized in operating results originally.

	2024	2023
Obligation under capital lease for building and land, blending monthly payments of \$1,742,160 increased annually by CPI with interest at a rate of 10.88%, maturing on December 18 2085, secured by the building and land	\$ 25,353,061	\$ 24,467,534

Interest expense for the year related to obligations under capital leases is \$2,486,721 (2023 - \$2,439,099).

Future minimum lease payments under the capital lease for the net 5 years are as follows:

2025	\$ 2,041,218
2026	2,082,042
2027	2,123,683
2028	2,166,157
2029	2,209,480

In addition to the future minimum lease payments described above the organization must also pay rent of the amount by which the actual CPI increase is greater than the original estimated annual CPI increase. This contingent rental expense for the year is \$165,444 (2023 - \$115,357) and it is included in supplies and other expense.

The College has committed to annual payments by way of a property management agreement with Collegiate Management Services Corp. The property management fees will be adjusted for inflation using the Consumer Price Index annually. The annual property management fee is \$838,207 (2023 - \$814,584).

Lastly, under the terms of the arrangement, the College has a contractual right to receive 20% of the net profits generated from the student residence on an annual basis for years 25 through the end of the 69-year agreement.

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For the year ended March 31, 2024

10. ASSET RETIREMENT OBLIGATIONS:

The organization's financial statements include an asset retirement obligation for the remediation of asbestos containing materials located in College's buildings. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 4.353% (2023 – 4.353%). The estimated total undiscounted future expenditures are \$5,900,409 (2023 – \$5,900,409). The liability is expected to be settled at some undeterminable future date.

The carrying amount of the liability is as follows:

	2024	2023
Balance, beginning of year	\$ 4,153,579	\$ 3,980,316
Increase due to accretion expense	180,805	173,263
Balance, end of year	\$ 4,334,384	\$ 4,153,579

However, the total amount of the liability may change due to estimates in the discount rates used. Management estimates that the total liability could range from \$3,273,572 to \$4,868,756.

11. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES:

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and related expenses.

				2024	2023
	Post- employment benefits	Non- vesting sick leave	Vesting sick leave	Total liability	Total liability
Accrued employee future benefit obligations	\$1,663,000	\$6,748,000	\$ 55,000	\$8,466,000	\$7,296,000
Value of plan assets	(403,000)	-	-	(403,000)	(364,000)
Unamortized actuarial gains (losses)	109,000	(1,412,000)	(5,000)	(1,308,000)	(384,000)
Total liability	\$1,369,000	\$5,336,000	\$ 50,000	\$6,755,000	\$6,548,000

				2024	2023
	Post- employment benefits	Non- vesting sick leave	Vesting sick leave	Total expense	Total expense
Current year benefit cost	\$ 6,000	\$ 413,000	\$ 1,000	\$ 420,000	\$ 540,000
Interest on accrued benefit obligation	4,000	198,000	2,000	204,000	168,000
Amortized actuarial losses	96,000	154,000	-	250,000	70,000
Total expense	\$ 106,000	\$ 765,000	\$ 3,000	\$ 874,000	\$ 778,000

The benefits paid out in the year were \$667,000 (2023 – \$614,000).

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below.

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Notes to Financial Statements

For the year ended March 31, 2024

11. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (cont'd):

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), a multi-employer jointly sponsored defined benefit plan for public colleges in Ontario and other employers across Canada. The College makes contributions to the Plan equal to those of employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the Plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2024 indicated an actuarial surplus on a going concern basis of \$5.3 billion.

The College made contributions to the Plan and its associated retirement compensation arrangement of \$15,832,598 (2023 - \$13,233,883), which has been included in the statement of operations.

Post-employment Benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The major actuarial assumptions employed for the valuation are as follows:

(a) Discount rate

The present value as at March 31, 2024 of the future benefits was determined using a discount rate of 3.5% (2023 – 3.4%).

(b) Hospital, Drug and other Medical costs

Hospital, drug and other medical costs were assumed to increase at a 6.16% rate for 2024 (2023 – 6.16%) and decrease proportionately thereafter to an ultimate rate of 4% in 2040 for fiscal 2024 (2023 – 4%).

(c) Dental costs

Dental costs were assumed to increase at 4% per annum for fiscal 2024 (2023 – 4%).

Compensated Absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible Faculty employees, hired before April 1, 1991 and Administrative employees hired before July 1, 1974 are entitled to receive on termination or retirement, accumulated sick days multiplied by their actual daily rate to a maximum of six months' salary. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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For the year ended March 31, 2024

11. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (cont'd):

Non-vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leave are the College's best estimate of expected rates of:

	2024	2023
Wage and salary escalation	2.5 - 3%	1%
Discount rate	3.5%	3.4%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 23.5% and 0 to 54 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

12. DEFERRED CONTRIBUTIONS:

Deferred contributions represent unspent externally restricted scholarships, bursaries, grants and donations for student awards and student assistance. It also includes unspent endowment investment income.

	2024	2023
Balance, beginning of year	\$ 7,096,236	\$ 8,211,582
Additional contributions received	7,159,900	5,944,446
Less award payments & administrative expenses	(5,491,354)	(7,059,792)
Balance, end of year	\$ 8,764,782	\$ 7,096,236

Deferred contributions are comprised of the following:

	2024	2023
Endowment interest funds and unrealized gains	\$ 5,361,213	\$ 3,625,702
Scholarships and bursaries	1,967,125	1,666,757
Tuition set-aside funds	773,364	1,202,842
Joint employment stability replacement fund	646,820	578,293
Ministry grants	12,614	19,022
Other	3,646	3,620
	\$ 8,764,782	\$ 7,096,236

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For the year ended March 31, 2024

13. DEFERRED CONTRIBUTIONS RELATED TO CONSTRUCTION IN PROGRESS:

	2024	2023
Balance, beginning of year	\$ 371,922	\$ 261,002
Additional contributions received	-	371,922
Less amounts transferred to capital assets in the year	(371,922)	(261,002)
Balance, end of year	\$ -	\$ 371,922

14. DEFERRED CONTRIBUTIONS RELATED TO EXPENSES OF FUTURE PERIODS:

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations intended to support primarily college-wide equipment and facility improvements and also provide student financial assistance.

	2024	2023
Balance, beginning of year	\$ 5,094,536	\$ 4,530,618
Additional contributions received	3,283,662	2,635,970
Less amounts recognized as revenue in the year	(2,504,085)	(2,072,052)
Less amounts recognized as deferred capital contributions	(328,699)	-
Balance, end of year	\$ 5,545,414	\$ 5,094,536

Deferred contributions related to expenses of future periods are comprised of the following:

	2024	2023
Donations	\$ 2,394,872	\$ 2,783,731
Student ancillary fees	3,040,368	2,242,985
Other	110,174	67,820
	\$ 5,545,414	\$ 5,094,536

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Notes to Financial Statements

For the year ended March 31, 2024

15. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS:

Deferred capital contributions related to capital assets represent the unamortized amount of donations, grants and other contributions received for the purchase of capital assets.

	2024	2023
Balance, beginning of year	\$ 119,530,172	\$ 123,997,097
Additional contributions received	5,339,992	3,822,585
Plus amounts transferred from deferred contributions related to construction in progress	371,922	261,002
Plus amounts transferred from deferred contributions related to expenses of future periods	328,699	
Less amortization in the year	(8,486,659)	(8,550,512)
Balance, end of year	\$ 117,084,126	\$ 119,530,172

Deferred contributions related to capital assets are comprised of the following:

	2024	2023
Ministry grants	\$ 56,117,113	\$ 55,626,040
Student ancillary fees - DBARC	24,079,365	24,936,446
Federal grants	18,467,397	19,197,136
Donations	16,031,279	16,875,167
Other	2,388,972	2,895,383
	\$ 117,084,126	\$ 119,530,172

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

16. INVESTMENT IN CAPITAL ASSETS:

(a) The College's investment in capital assets is calculated as follows:

	2024	2023
		(Restated) (note 2)
Capital assets	\$ 187,749,941	\$ 189,667,750
Construction in progress	2,520,641	2,906,291
Investment in land	873,472	873,472
	191,144,054	193,447,513
Less:		
Current portion of long-term debt	(1,947,420)	(1,818,319)
Capital lease obligation (note 9)	(25,353,061)	(24,867,534)
Long-term debt	(14,249,290)	(16,196,710)
Deferred contributions related to construction in progress (note 13)	-	(371,922)
Deferred contributions related to capital assets (note 15)	(117,084,126)	(119,530,172)
Investment in capital assets	\$ 32,510,157	\$ 30,662,856

(b) Change in net assets invested in capital assets is calculated as follows:

	2024	2023
		(Restated) (note 2)
Deficiency of revenues over expenses:		
Amortization of deferred capital contributions	\$ 8,486,659	\$ 8,550,512
Amortization of capital assets	(15,325,355)	(16,177,126)
	\$ (6,838,696)	\$ (7,626,614)

	2024	2023
		(Restated) (note 2)
Net change in investment of capital assets:		
Purchase of capital assets and construction in progress	\$ 13,055,326	\$ 10,044,911
Disposals of capital assets	(33,430)	(95,672)
Amounts funded by deferred capital contributions	(5,668,691)	(4,194,507)
Increase in capital lease obligation	(485,527)	(477,144)
Repayment of term debt	1,818,319	1,779,408
Investment in capital assets	\$ 8,685,997	\$ 7,056,966

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For the year ended March 31, 2024

17. ENDOWMENT CONTRIBUTIONS:

The College has the following endowment funds:

	2024	2023
Ontario Student Opportunity Trust Funds (Schedule 3)	\$ 6,155,950	\$ 6,143,250
Ontario Trust for Student Support (Schedule 4)	8,060,357	8,059,357
Other	5,696,482	3,971,122
	\$ 19,912,789	\$ 18,173,729

Investment income on endowments that was disbursed during the year has been recorded in the statement of operations since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions. Investment income on endowed assets recognized and deferred was \$956,712 and \$3,402,394 respectively (2023 – \$926,426 and \$3,193,596).

18. PUBLIC-PRIVATE COLLEGE PARTNERSHIP:

The College entered into a ten-year agreement with a public-private college partner on January 25, 2021 to deliver programming as stipulated within the agreement. In the statement of operations, the related revenues are included in student fees and related expenses paid to the private partner have been reflected within contracted services and professional fees. Gross revenue from the partnership included in student fees was \$58,496,334 (2023- \$27,994,604).

19. FINANCIAL INSTRUMENT RISK MANAGEMENT:

(a) Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, debt holdings in its investment portfolio, long-term receivable, accounts receivable and grants receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$100,000.

The College's investment policy operates within the constraints of the investment guidelines issued by the MCU and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of AAA or better.

The College's maximum exposure to credit risk is representative of the carrying value of cash, investments, accounts receivable, grants receivable, current portion of long-term receivable and long-term receivable which as at March 31, 2024 totals \$294,657,471.

Included in accounts receivable are amounts due from students. Credit risk is mitigated through a financial approval process before a student is enrolled and the highly diversified nature of the student population.

Grants receivables are due from government sources. The College works to ensure that all eligibility criteria are met in order to qualify to receive the funding.

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For the year ended March 31, 2024

19. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd.):

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The amounts outstanding at year end were as follows:

	2024					
	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Grants receivable	\$ 6,011,452	\$ 6,011,452	\$ -	\$ -	\$ -	\$ -
Student receivables	748,987	557,181	48,220	14,667	7,709	121,210
Other receivables	15,151,525	13,713,776	1,226,817	78,749	4,428	127,755
Gross receivables	21,911,964	20,282,409	1,275,037	93,416	12,137	248,965
Less: impairment	(156,897)	-	-	-	-	(156,897)
Net receivables	\$21,755,067	\$20,282,409	\$1,275,037	\$ 93,416	\$ 12,137	\$ 92,068

	2023					
	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Grants receivable	\$ 8,089,918	\$ 8,089,918	\$ -	\$ -	\$ -	\$ -
Student receivables	746,217	545,406	48,506	10,690	2,593	139,022
Other receivables	16,943,740	15,756,791	1,086,726	4,325	32,441	63,457
Gross receivables	25,779,875	24,392,115	1,135,232	15,015	35,034	202,479
Less: impairment allowance	(163,455)	-	-	-	-	(163,455)
Net receivables	\$25,616,420	\$24,392,115	\$1,135,232	\$ 15,015	\$ 35,034	\$ 39,024

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the MCU. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk.

(c) Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign levels when adverse changes in foreign currency rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

19. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd.):

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods to measure the risk.

(d) Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its interest-bearing investments and long-term debt.

The College's long-term debt is fixed rate debt as disclosed in note 8. Fluctuations in market interest rates would not impact future cash flows and operations relating to term debt.

At March 31, 2024, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$4,335,106 (2023 - \$3,161,224).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(e) Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2024, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of \$1,337,608. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(f) Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk. The following table sets out the expected maturities, representing undiscounted cash-flows of financial liabilities:

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

19. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd.):

	2024		
	Within 1 year	1 – 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 50,409,792	\$ -	\$ -
Long-term debt	3,144,448	13,805,400	24,819,856
Capital lease obligation	-	-	25,353,061
	\$ 53,554,240	\$ 13,805,400	\$ 50,172,917

	2023		
	Within 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 35,578,261	\$ -	\$ -
Long-term debt	2,960,318	13,308,255	28,461,449
Capital lease obligation	-	-	24,867,534
	\$ 38,538,579	\$ 13,308,255	\$ 53,328,983

The maturity profile of bonds and GICs held are disclosed in note 3.

20. COMMITMENTS:

(a) Leases

The College's commitments to annual rental payments in the aggregate and in each of the next five years principally as a result of premise rental leases are as follows:

2025	\$ 2,489,829
2026	1,446,066
2027	1,219,987
2028	1,244,387
2029	1,269,274
	\$ 7,669,543

21. THE MOHAWK COLLEGE FOUNDATION:

The College has an economic interest in the Mohawk College Foundation (the "Foundation"), which raises funds from the community and alumni to finance certain expenses of the College. The Foundation's accounts are not included in these financial statements. The Foundation is incorporated under the Province of Ontario as a public foundation and is a registered charity under the Income Tax Act. During the year, an amount of \$3,675,872 (2023 - \$2,071,330), including \$306,514 of in-kind donations (2023 - \$81,651) was received from the Foundation.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2024

22. INTERNATIONAL STUDY PERMITS:

On January 22, 2024, the Government of Canada (the “Government”) announced an intake cap on international student permit applications for a period of two years, resulting in a reduction of approximately 35% of approved study permits from 2023. At the end of 2024, the Government will reassess the number of new study permits that will be processed in 2025. In addition, as a result of these policy changes, students at public-private college partnership campuses in Ontario will no longer be eligible for post-graduate work permits after May 15, 2024, which affects the sustainability of these partnerships. A significant portion of the College’s tuition revenue is derived from international students and the College is assessing the impact of this announcement on its ability to earn revenue from international students.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Operating Grants, Ancillary and Other Revenue
For the year ended March 31, 2024, with comparative figures for 2023

Schedule 1

	<u>2024</u>	<u>2023</u>
OPERATING GRANTS REVENUE		
General operating and capital grants	\$ 66,613,415	\$ 69,599,365
Federal projects	14,019,624	8,745,645
Apprenticeship	12,111,687	11,263,436
Collaborative program grants	6,842,215	8,993,467
Employment Services	1,950,561	1,987,497
Literacy & Basic Skills	1,496,812	1,421,406
School College Works Initiative	1,345,255	1,349,451
Disability Services	855,772	1,249,649
Aboriginal grants	747,129	679,208
Municipal tax grant	563,175	611,925
Termination gratuities	63,345	-
Personal support worker grant	-	1,625,241
Other	570,777	1,725,483
	<u>107,179,767</u>	<u>109,251,773</u>
ANCILLARY REVENUE		
Parking	4,161,830	3,636,450
Student residence	3,977,091	3,768,500
Campus stores	3,083,767	2,807,851
Facility rentals	1,082,083	384,884
Student life	436,179	364,937
Food services	377,626	425,542
Athletic and recreation centre	88,391	78,422
Other	76,843	43,937
	<u>13,283,810</u>	<u>11,510,523</u>
OTHER REVENUE		
Investment income	8,138,451	5,606,105
Contract projects	7,832,216	6,374,018
Miscellaneous	1,929,430	1,514,076
Donations	1,453,851	1,313,067
Student government	357,999	253,717
Special events	180,728	200,012
	<u>\$ 19,892,675</u>	<u>\$ 15,260,995</u>

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ancillary Expenditures
For the year ended March 31, 2024, with comparative figures for 2023

Schedule 2

	<u>2024</u>	<u>2023</u>
Salaries and benefits	\$ 2,669,775	\$ 2,081,078
Cost of sales	2,344,408	1,916,106
Contracted services and professional fees	2,380,808	2,121,415
Supplies and other expenses	3,106,089	2,695,433
Utilities, maintenance and taxes	858,565	1,149,608
	<u>\$ 11,359,645</u>	<u>\$ 9,963,640</u>

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Student Opportunity Trust Fund (OSOTF I)
For the year ended March 31, 2024, with comparative figures for 2023

Schedule 3

	<u>2024</u>	<u>2023</u>
	(Book Value)	(Book Value)
Endowment Fund Balance		
Fund Balance, beginning of year	\$ 6,076,022	\$ 5,998,497
Cash donations received	12,700	77,525
Fund Balance, end of year	<u>6,088,722</u>	<u>6,076,022</u>
Expendable Funds Available for Awards		
Balance, beginning of year	1,234,926	1,261,023
Investment income, net of related expenses	330,584	316,103
Cash donations received	75	50
Awards issued (2024-#292; 2023-#343)	(278,650)	(342,250)
Balance, end of year	<u>\$ 1,286,935</u>	<u>\$ 1,234,926</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2024 were \$6,088,722 and \$1,949,587 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Student Opportunity Trust Fund (OSOTF II)
For the year ended March 31, 2024, with comparative figures for 2023

	<u>2024</u>	<u>2023</u>
	(Book Value)	(Book Value)
Endowment Fund Balance		
Fund Balance, beginning and end of year	<u>\$ 67,228</u>	<u>\$ 67,228</u>
Expendable Funds Available for Awards		
Balance, beginning of year	44,750	40,151
Investment income, net of related expenses	5,050	4,599
Balance, end of year	<u>\$ 49,800</u>	<u>\$ 44,750</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2024 were \$67,288 and \$50,331 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Trust for Student Support (OTSS)
For the year ended March 31, 2024, with comparative figures for 2023

Schedule 4

	2024	2023
	<u>(Book Value)</u>	<u>(Book Value)</u>
Endowment Fund Balance		
Fund Balance, beginning of year	\$ 8,059,357	\$ 8,052,103
Donor funds transferred to expendable funds	-	(607)
Cash donations received	1,000	7,861
Fund Balance, end of year	<u>8,060,357</u>	<u>8,059,357</u>
Expendable Funds Available for Awards		
Balance, beginning of year	1,135,046	1,052,369
Investment income, net of related expenses	403,504	392,380
Cash donations received	7,500	6,500
Donor funds transferred from expendable funds	-	607
Awards issued (2024-#186; 2023-#257)	<u>(261,338)</u>	<u>(316,810)</u>
Balance, end of year	<u>\$ 1,284,712</u>	<u>\$ 1,135,046</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2024 were \$8,060,357 and \$2,105,749 respectively.