

# 2018 FINANCIAL STATEMENTS

MARCH 31, 2018



**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Mohawk College of Applied Arts and Technology, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year ended March 31, 2018 and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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.

### *Auditors' Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mohawk College of Applied Arts and Technology as at March 31, 2018 and its results of operations, changes in net assets, cash flows and its remeasurement gains and losses for the year then ended, in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants  
Hamilton, Canada  
June 6, 2018

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Statement of Financial Position**

**March 31, 2018, with comparative figures for 2017**

**Statement 1**

		2018	2017
		\$	\$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	(note 2)	24,421,049	13,454,243
Investments	(note 3)	89,932,710	94,994,569
Accounts receivable		13,854,035	14,100,015
Grants receivable		3,394,592	5,339,901
Inventories		1,504,003	1,442,202
Prepaid expenses and other assets		4,417,708	4,055,923
Current portion of long-term receivable	(note 5)	1,074,659	861,060
		<u>138,598,756</u>	<u>134,247,913</u>
<b>LONG-TERM</b>			
Long-term investment	(note 4)	873,472	873,472
Long-term receivable	(note 5)	31,203,548	31,589,777
Construction in progress	(note 6)	40,825,878	7,874,309
Capital assets	(note 7)	152,301,160	149,076,020
		<u>225,204,058</u>	<u>189,413,578</u>
		<u>363,802,814</u>	<u>323,661,491</u>
<b>LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		34,606,821	26,405,905
Deferred revenue	(note 8)	27,569,088	23,657,065
Vacation pay		8,280,070	8,270,904
Current portion of long-term debt	(note 9)	1,830,845	1,731,404
		<u>72,286,824</u>	<u>60,065,278</u>
<b>LONG-TERM LIABILITIES</b>			
Long-term debt	(note 9)	50,135,449	45,271,746
Post-employment benefits and compensated absences	(note 10)	6,751,000	7,116,000
		<u>56,886,449</u>	<u>52,387,746</u>
<b>DEFERRED CONTRIBUTIONS</b>			
Deferred contributions	(note 11a)	4,534,320	5,922,679
Deferred contributions related to construction in progress	(note 11b)	22,817,357	4,471,264
Deferred contributions related to expenses of future periods	(note 11c)	5,571,767	10,555,716
Deferred contributions related to capital assets	(note 11d)	107,074,751	108,322,087
		<u>139,998,195</u>	<u>129,271,746</u>
<b>NET ASSETS (statement 3)</b>			
Net assets invested in capital assets	(note 12)	43,826,238	30,572,489
Unrestricted net assets:			
Operating		8,349,629	8,196,622
Vacation pay		(8,280,070)	(8,270,904)
Post-employment benefits and compensated absences		(6,751,000)	(7,116,000)
Restricted net assets:			
Internally restricted assets		40,323,000	41,615,000
Endowment contributions	(note 13)	17,454,702	16,211,043
		<u>94,922,499</u>	<u>81,208,250</u>
Accumulated remeasurement (losses) gains (statement 5)		(291,153)	728,471
		<u>94,631,346</u>	<u>81,936,721</u>
		<u>363,802,814</u>	<u>323,661,491</u>

**SIGNED ON BEHALF OF THE BOARD:**

**APPROVED BY THE BOARD OF GOVERNORS**

**AT THE MEETING OF JUNE 6, 2018**

See accompanying notes to the financial statements

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY****Statement of Operations****For the year ended March 31, 2018, with comparative figures for 2017****Statement 2**

		2018	2017
		\$	\$
<b>REVENUE</b>			
Grants	(schedule 1)	98,387,310	96,800,419
Tuition fees		98,418,021	90,729,290
Ancillary	(schedule 1)	14,017,695	14,594,366
Amortization of deferred contributions		4,776,132	4,926,907
Amortization of deferred contributions related to capital assets		8,024,028	7,436,374
Other	(schedule 1)	14,938,356	23,206,527
		<u>238,561,542</u>	<u>237,693,883</u>
<b>EXPENDITURES</b>			
Salaries and benefits		131,411,070	126,609,223
Contracted services and professional fees		19,025,711	17,854,530
Supplies and other expenses		17,863,262	15,526,638
Utilities, maintenance and taxes		17,532,616	16,257,855
Instructional supplies		6,417,588	6,099,798
Ancillary	(schedule 2)	11,828,253	10,083,858
Scholarship, bursary and award payments		4,776,132	4,926,907
Amortization expense		15,164,336	14,451,134
Interest on long-term liabilities		2,071,984	2,575,285
		<u>226,090,952</u>	<u>214,385,228</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>		<u>12,470,590</u>	<u>23,308,655</u>

See accompanying notes to the financial statements

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Statement of Changes in Net Assets**

**For the year ended March 31, 2018, with comparative figures for 2017**

**Statement 3**

	Invested in Capital Assets \$	Unrestricted Operating \$	Vacation & post- employment benefits & compensated absences \$	Internally Restricted \$	Endowment Contributions \$	2018 Total \$	2017 Total \$
Balance, beginning of year	30,572,489	8,196,622	(15,386,904)	41,615,000	16,211,043	81,208,250	57,809,164
Excess (deficiency) of revenue over expenditures	(7,140,308)	21,881,120	355,834	(2,626,056)	-	12,470,590	23,308,655
Investment in capital assets	20,394,057	(8,421,071)	-	(11,972,986)	-	-	-
Change in internally imposed restrictions	-	(13,307,042)	-	13,307,042	-	-	-
Preservation of capital (note 13)	-	-	-	-	1,194,438	1,194,438	-
Endowment contributions	-	-	-	-	49,221	49,221	90,431
Balance, end of year	43,826,238	8,349,629	(15,031,070)	40,323,000	17,454,702	94,922,499	81,208,250

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Statement of Cash Flows**

**For the year ended March 31, 2018, with comparative figures for 2017**

**Statement 4**

	2018	2017
	\$	\$
Cash provided by (used in):		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	12,470,590	23,308,655
Items not involving cash:		
Amortization expense	15,164,336	14,451,134
Net income of Mohawk College Enterprise	(16,933)	(67,815)
(Decrease) increase in post-employment benefits and compensated absences	(365,000)	6,000
Loss (gain) on disposal of capital assets	27,249	(12,443,789)
Amortization of deferred contributions related to capital assets	(8,024,028)	(7,436,374)
	<u>19,256,214</u>	<u>17,817,811</u>
Changes in non-cash working capital items:		
Accounts receivable	245,980	(597,521)
Grants receivable	1,945,309	(587,112)
Inventories	(61,801)	(303,175)
Prepaid expenses and other assets	(361,785)	(2,222,240)
Accounts payable and accrued liabilities	8,217,849	1,969,194
Deferred revenue	3,912,023	3,052,634
Vacation pay	9,166	(62,078)
	<u>33,162,955</u>	<u>19,067,513</u>
<b>INVESTING ACTIVITIES</b>		
Sale (purchase) of investments, net	4,042,235	(19,102,517)
Long-term receivable	172,630	821,475
	<u>4,214,865</u>	<u>(18,281,042)</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of capital assets	(16,692,952)	(16,410,402)
Proceeds from sale of capital assets	73,751	20,542,000
Contributions for capital purposes	4,242,870	6,493,496
Construction in progress, net of deferred contributions	(21,954,649)	(3,550,299)
	<u>(34,330,980)</u>	<u>7,074,795</u>
<b>FINANCING ACTIVITIES</b>		
Contributions for endowment	1,243,659	90,431
Contributions for other restricted purposes, net	(1,388,359)	815,277
Contributions for expenses of future periods, net	3,101,522	8,786,306
Proceeds of long-term debt	6,694,548	-
Repayment of long-term debt	(1,731,404)	(1,680,557)
Repayment of demand loan	-	(8,224,938)
	<u>7,919,966</u>	<u>(213,481)</u>
<b>INCREASE IN CASH</b>	10,966,806	7,647,785
<b>CASH, BEGINNING OF YEAR</b>	<u>13,454,243</u>	<u>5,806,458</u>
<b>CASH, END OF YEAR</b>	<u><u>24,421,049</u></u>	<u><u>13,454,243</u></u>

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY****Statement of Remeasurement Gains and Losses****For the year ended March 31, 2018, with comparative figures for 2017****Statement 5**

	2018	2017
	\$	\$
Accumulated remeasurement gains (losses), beginning of year	728,471	(1,864,557)
Unrealized (losses) gains attributable to:		
Investments	(1,145,304)	(215,166)
Derivative - interest rate swap	-	523,743
Amounts reclassified to the statement of operations:		
Disposition of investments	125,680	350,071
Disposition of interest rate swap	-	1,934,380
Net remeasurement (losses) gains for the year	<u>(1,019,624)</u>	<u>2,593,028</u>
Accumulated remeasurement (losses) gains, end of year	<u>(291,153)</u>	<u>728,471</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, 2018

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### General

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 post-secondary, 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 Advanced Education and Skills Development (“MAESD”) 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 recognized. 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.

#### (d) 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.

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
**For the year ended March 31, 2018**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued):**

(e) 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:

<u>Asset Class</u>	<u>Rate</u>
Land	n/a
Buildings	40 years
Portables & roof replacement	20 years
Site improvements	10 years
Major equipment	10 years
Furniture & equipment	5 years
Vehicles	5 years
Computers & software	3 years

(f) Vacation pay

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

(g) 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 experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.
- (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 are 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.

# THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Financial Statements

For the year ended March 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued):

(h) 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.

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 Standards require an organization to classify 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.

(i) Internally restricted assets

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

(j) 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.

(k) 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, fair value of interest rate swap and actuarial estimation of post-employment benefits and compensated absences liabilities.

### 2. CASH:

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

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
**For the year ended March 31, 2018**

**3. INVESTMENTS:**

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

	<b>Level</b>	<b>2018</b> <b>\$</b>	<b>2017</b> <b>\$</b>
<b>Pooled investments</b>			
Fixed income	2	6,852,118	6,492,385
Equities	2	6,228,943	6,570,464
Cash	2	740,784	1,021,452
<b>Total pooled investments</b>		<b>13,821,845</b>	<b>14,084,301</b>
<b>Segregated investments</b>			
Fixed income	1	74,507,903	80,137,847
Cash	1	1,602,962	772,421
<b>Total segregated investments</b>		<b>76,110,865</b>	<b>80,910,268</b>
<b>Total investments</b>		<b>89,932,710</b>	<b>94,994,569</b>

The total cost of the investment portfolio is \$90,554,840 (2017 – \$93,129,325).

There were no significant transfers between Levels 1 and 2 for the years ended March 31, 2018 and 2017. There were no transfers in or out of Level 3.

Maturity profile of fixed income held is as follows:

	<b>March 31, 2018</b>				
	<b>Within 1 year</b>	<b>2 to 5 years</b>	<b>6 to 10 years</b>	<b>Over 10 year</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying value	9,398,387	48,746,991	22,001,147	1,213,496	81,360,021
Percent of Total	12%	60%	27%	1%	100%

The College’s fixed income portfolio has interest rates ranging from 0.49% to 10.22% (2017 – 0.30% to 8.50%).

**4. LONG-TERM INVESTMENT:**

Long-term investments are carried at cost. As at March 31, 2018 the long-term investment consists of investment in land of \$873,472 (2017 – \$873,472). In October 1995, the College purchased land in conjunction with Hillfield-Strathallan College for undetermined future use.

In addition, the College controls Mohawk College Enterprise Corporation (“MCE”) and is the only registered holder of issued and outstanding MCE shares (2018 – \$100; 2017 – \$100) and accounts for the investment using the modified equity method. The equity earnings are recorded in other revenue. MCE undertakes and carries out education 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.

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
**For the year ended March 31, 2018**

**4. LONG-TERM INVESTMENT (continued):**

<b>Mohawk College Enterprise Balance Sheet</b>	<b>2018 \$</b>	<b>2017 \$</b>
Total assets	575,946	647,283
Total liabilities	681,752	770,022
Total net assets	(105,806)	(122,739)
	575,946	647,283

  

<b>Mohawk College Enterprise Statement of Operations &amp; Deficit</b>	<b>2018 \$</b>	<b>2017 \$</b>
Total revenue	2,905,511	3,183,899
Total expenses	2,888,578	3,116,084
Income before income taxes	16,933	67,815
Income taxes	-	-
Net income for the year	16,933	67,815
Deficit, beginning of year	(122,839)	(190,654)
Deficit, end of year	(105,906)	(122,839)

  

<b>Mohawk College Enterprise Statement of Cash Flows</b>	<b>2018 \$</b>	<b>2017 \$</b>
Cash flows provided by (used in) operating activities	10,125	(12,698)
Cash flows provided by financing activities	-	-
Cash flows used in investing activities	(24,672)	(4,865)
Net cash flows	(14,547)	(17,563)

The loss on the investment in MCE has been included in accounts payable and accrued liabilities.

**5. LONG-TERM RECEIVABLE:**

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

	<b>2018 \$</b>	<b>2017 \$</b>
Student levy receivables	32,278,207	32,450,837
Less: Current portion of long-term receivable	(1,074,659)	(861,060)
	31,203,548	31,589,777

In April 2012, the Mohawk Students Association entered into an agreement with the College to establish a new compulsory student activity fee (the “DBARC Fee”) to finance the building of the Athletic and Recreation Center (the “DBARC”). In November 2013, the DBARC construction was completed. The annual principal and interest payments on the long-term debt incurred to finance construction will be provided by the future DBARC Fee student levies. The total principal and interest payments amount has been discounted at a rate of 4.762% (2017 – 4.762%) and the current amount receivable is \$31,589,777 (2017 – \$32,450,837). Other student levy receivables of \$688,430 (2017 - \$nil) are to support the Joyce Centre for Partnership & Innovation.

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Notes to Financial Statements**

**For the year ended March 31, 2018**

**6. CONSTRUCTION IN PROGRESS:**

Construction in progress represents costs incurred to date for the i) Joyce Centre for Partnership & Innovation \$40,825,878 (2017 - \$6,224,039), and ii) other miscellaneous projects \$nil (2017 - \$1,650,270).

**7. CAPITAL ASSETS:**

	<b>Cost</b>	<b>Accumulated</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>Amortization</b>	<b>Net Book</b>	<b>Net Book</b>
	<b>\$</b>	<b>\$</b>	<b>Value</b>	<b>Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	2,193,775	-	2,193,775	2,193,775
Buildings	134,598,179	41,915,387	92,682,792	94,094,770
Portables & roof replacement	14,211,225	2,906,164	11,305,061	7,570,779
Site improvements	51,298,142	32,137,121	19,161,021	22,097,790
Major equipment	33,866,467	15,502,410	18,364,057	15,747,276
Furniture & equipment	20,046,686	15,888,820	4,157,866	3,767,889
Vehicles	1,404,992	1,134,207	270,785	355,831
Computers & software	21,989,826	17,824,023	4,165,803	3,247,910
	<u>279,609,292</u>	<u>127,308,132</u>	<u>152,301,160</u>	<u>149,076,020</u>

**8. DEFERRED REVENUE:**

Deferred revenue consists of the following:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Student fees	23,055,106	19,579,725
Contracts	1,914,615	2,619,311
MAESD grants	991,825	312,642
Student residence	324,507	319,160
Other	1,283,035	826,227
	<u>27,569,088</u>	<u>23,657,065</u>

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
**For the year ended March 31, 2018**

**9. LONG-TERM DEBT:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
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.	31,591,589	32,452,649
Unsecured loan payable to the Ontario Financing Authority at 3.855%, payable in blended semi-annual instalments of \$486,267, due November 29, 2028.	8,652,214	9,273,193
Unsecured loan payable to the Ontario Financing Authority at 4.183%, payable in blended monthly instalments of \$40,673, due September 2, 2031.	5,027,943	5,277,308
Unsecured construction period loan advance up to a maximum of \$12,000,000 payable to Ontario Financing Authority. Interest on advances is subject to 90 day Ontario Treasury Bill Rate plus 0.275%. At November 30, 2018, the construction loan advances plus accrued interest will be repayable over a fifteen year term at the Province of Ontario's cost of funds for a fifteen year amortizing bond plus 0.275%.	6,694,548	-
	<u>51,966,294</u>	<u>47,003,150</u>
Less current portion	1,830,845	1,731,404
	<u>50,135,449</u>	<u>45,271,746</u>

Principal repayments for the next five years and thereafter:

	<b>\$</b>
2019	1,830,845
2020	2,283,236
2021	2,355,590
2022	2,456,258
2023	2,561,289
Thereafter	<u>40,479,076</u>
	<u>51,966,294</u>

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
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**10. 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.

	<b>March 31, 2018</b>			
	<b>Post-employment benefits</b>	<b>Non-vesting sick leave</b>	<b>Vesting sick leave</b>	<b>Total liability</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued employee future benefit obligations	1,356,000	3,934,000	487,000	5,777,000
Value of plan assets	(299,000)	-	-	(299,000)
Unamortized actuarial gains	156,000	901,000	216,000	1,273,000
<b>Total liability</b>	<b>1,213,000</b>	<b>4,835,000</b>	<b>703,000</b>	<b>6,751,000</b>

	<b>March 31, 2017</b>			
	<b>Post-employment benefits</b>	<b>Non-vesting sick leave</b>	<b>Vesting sick leave</b>	<b>Total liability</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued employee future benefit obligations	1,334,000	4,032,000	88,000	5,454,000
Value of plan assets	(191,000)	-	-	(191,000)
Unamortized actuarial gains	193,000	867,000	793,000	1,853,000
<b>Total liability</b>	<b>1,336,000</b>	<b>4,899,000</b>	<b>881,000</b>	<b>7,116,000</b>

	<b>March 31, 2018</b>			
	<b>Post-employment benefits</b>	<b>Non-vesting sick leave</b>	<b>Vesting sick leave</b>	<b>Total expense</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current year benefit cost	6,000	213,000	17,000	236,000
Interest on accrued benefit obligation	2,000	76,000	12,000	90,000
Amortized actuarial (gains) losses	(121,000)	(3,000)	20,000	(104,000)
<b>Total expense</b>	<b>(113,000)</b>	<b>286,000</b>	<b>49,000</b>	<b>222,000</b>

	<b>March 31, 2017</b>			
	<b>Post-employment benefits</b>	<b>Non-vesting sick leave</b>	<b>Vesting sick leave</b>	<b>Total expense</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current year benefit cost	7,000	218,000	6,000	231,000
Interest on accrued benefit obligation	3,000	57,000	2,000	62,000
Amortized actuarial losses (gains)	7,000	(73,000)	10,000	(56,000)
<b>Total expense</b>	<b>17,000</b>	<b>202,000</b>	<b>18,000</b>	<b>237,000</b>



# THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Financial Statements

For the year ended March 31, 2018

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### 10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued):

The benefits paid out in the year were \$587,000 (2017 – \$231,000).

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

#### *Retirement Benefits*

##### CAAT Pension Plan

Substantially all employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan (the “Plan”), which is a multi-employer jointly sponsored defined benefit plan for eligible employees of public colleges and related employers in Ontario. Contributions by the College on account of current service pension costs amounted to \$11,152,993 (2017 – \$11,066,698), which have been included in the statement of operations. Contributions by employees amounted to \$11,041,879 (2017 – \$10,961,521). Contribution rates are set by the Plan’s governors to ensure the long-term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. 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, 2018 indicated an actuarial surplus of \$2.3 billion.

#### *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, 2018 of the future benefits was determined using a discount rate of 2.6% (2017 – 2%).

(b) *Drug costs*

Drug costs were assumed to increase at an 8% rate for 2018 (2017 – 8.25%) and decrease proportionately thereafter to an ultimate rate of 4% in 2034 for fiscal 2018 (2017 – 4%).

(c) *Hospital and other medical*

Hospital and other medical costs were assumed to increase at 4% per annum for fiscal 2018 (2017 – 4%).

(d) *Dental costs*

Dental costs were assumed to increase at 4% per annum for fiscal 2018 (2017 – 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.

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Notes to Financial Statements**

**For the year ended March 31, 2018**

**10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued):**

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:

	<u>2018</u>	<u>2017</u>
Wage and salary escalation	1.5% - 2%	0.5% - 1.5%
Discount rate	2.6%	2.0%

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 23.7% and 0 to 48 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

**11. DEFERRED CONTRIBUTIONS:**

**a) 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.

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Balance, beginning of year	5,922,679	5,107,402
Additional contributions received	3,387,773	5,742,184
Less award payments & administrative expenses	(4,776,132)	(4,926,907)
Balance, end of year	<u>4,534,320</u>	<u>5,922,679</u>

Deferred contributions are comprised of:

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Endowment interest funds and unrealized gains	1,575,560	2,891,933
Tuition set-aside funds	1,079,244	1,409,567
Scholarships and bursaries	932,025	732,776
Joint employment stability replacement fund	495,871	460,384
MAESD grants	446,235	422,634
Other	5,385	5,385
	<u>4,534,320</u>	<u>5,922,679</u>

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
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**11. DEFERRED CONTRIBUTIONS (continued):**

**b) Deferred contributions related to construction in progress:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	4,471,264	270,000
Additional contributions received	12,794,444	4,324,010
Plus amounts transferred from deferred contributions related to expenses of future periods	6,438,297	147,254
Less amounts transferred to capital assets in the year	<u>(886,648)</u>	<u>(270,000)</u>
Balance, end of year	<u>22,817,357</u>	<u>4,471,264</u>

**c) 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.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	10,555,716	6,337,698
Additional contributions received	4,036,857	9,613,369
Less amounts recognized as revenue in the year	(935,335)	(827,063)
Less amounts transferred to deferred contributions related to capital assets	(1,647,174)	(4,421,034)
Less amounts transferred to deferred contributions related to construction in progress	<u>(6,438,297)</u>	<u>(147,254)</u>
Balance, end of year	<u>5,571,767</u>	<u>10,555,716</u>

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Donations	4,387,293	4,157,706
MAESD	13,280	4,744,044
Other	<u>1,171,194</u>	<u>1,653,966</u>
	<u>5,571,767</u>	<u>10,555,716</u>

**d) 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.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	108,322,087	104,573,931
Additional contributions received	4,242,870	6,493,496
Plus amounts transferred from deferred contributions related to construction in progress	886,648	270,000
Plus amounts transferred from deferred contributions related to expenses of future periods	1,647,174	4,421,034
Less amortization in the year	<u>(8,024,028)</u>	<u>(7,436,374)</u>
Balance, end of year	<u>107,074,751</u>	<u>108,322,087</u>

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
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**11. DEFERRED CONTRIBUTIONS (continued):**

**d) Deferred contributions related to capital assets (continued):**

Deferred contributions related to capital assets are comprised of:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
MAESD	56,840,584	56,166,538
ARC Fees	29,471,716	30,614,919
Donations	14,784,715	15,752,082
Other	5,977,736	5,788,548
	<u>107,074,751</u>	<u>108,322,087</u>

**12. INVESTMENT IN CAPITAL ASSETS:**

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Capital assets	152,301,160	149,076,020
Construction in progress	40,825,878	7,874,309
Investment in land	873,472	873,472
	<u>194,000,510</u>	<u>157,823,801</u>
Less:		
Current portion of long-term debt	(928,294)	(870,344)
Long-term debt	(19,353,870)	(13,587,617)
Deferred contributions related to construction in progress	(22,817,357)	(4,471,264)
Deferred contributions related to capital assets	(107,074,751)	(108,322,087)
Investment in capital assets	<u>43,826,238</u>	<u>30,572,489</u>

Change in net assets invested in capital assets is calculated as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Deficiency of revenues over expenditures:		
Amortization of deferred capital contributions related to capital assets	8,024,028	7,436,374
Amortization of capital assets	(15,164,336)	(14,451,134)
	<u>(7,140,308)</u>	<u>(7,014,760)</u>
Net change in investment of capital assets:		
Purchase of capital assets and construction in progress	51,442,045	24,284,711
Disposals of capital assets	(101,000)	(8,098,211)
Amounts funded by deferred capital contributions	(25,122,785)	(15,385,794)
Amounts funded by term debt	(6,694,548)	-
Repayment of term debt	870,345	9,084,020
Investment in capital assets	<u>20,394,057</u>	<u>9,884,726</u>

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
**For the year ended March 31, 2018**

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**13. ENDOWMENT CONTRIBUTIONS:**

The College has the following endowment funds:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Ontario Student Opportunity Trust Funds (Schedule 3)	6,044,225	5,621,027
Ontario Trust for Student Support (Schedule 4)	7,963,943	7,519,560
Other	3,446,534	3,070,456
	<u>17,454,702</u>	<u>16,211,043</u>

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 \$469,413 and \$1,906,536 respectively (2017 – \$517,875 and \$1,775,160). Investment income earned from realized capital gains in the year of \$1,194,438 has been included in endowment contributions as preservation of capital.

**14. FINANCIAL INSTRUMENT RISK MANAGEMENT:**

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 MAESD 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, 2018 totals \$163,880,593.

Accounts receivable are ultimately due from students. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population.

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

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 MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
**For the year ended March 31, 2018**

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**14. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued):**

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 MAESD. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk.

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.

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

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 9. Fluctuations in market interest rates would not impact future cash flows and operations relating to term debt.

At March 31, 2018, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$2,814,952.

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.

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, 2018, 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 \$622,894. 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.

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 MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**  
**Notes to Financial Statements**  
**For the year ended March 31, 2018**

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**15. COMMITMENTS:**

**a) Leases:**

Mohawk’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:

	<u>\$</u>
2019	1,793,427
2020	1,793,427
2021	1,793,427
2022	1,793,427
2023	1,793,427
	<u>8,967,135</u>

**b) Student residence:**

The student residence, which accommodates 340 students, was leased to Campus Development Hamilton Corp. in December 2016. The agreement meets the definition of a capital lease for accounting purposes and resulted in a gain of \$10,235,728 recorded in other revenue within the statement of operations. The College entered into an operating lease with Campus Development Hamilton Corp. to lease the residence back. Collegiate Management Services Corp. manages the residence by way of a property management agreement. The annual property management fee is \$697,210.

**c) Capital commitments:**

As at March 31, 2018, outstanding capital commitments amount to approximately \$9.9 million primarily for construction of the Joyce Centre for Partnership & Innovation.

**16. 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 expenditures 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.

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Analysis of Operating Grants, Ancillary and Other Revenue**

**For the year ended March 31, 2018, with comparative figures for 2017**

**Schedule 1**

	2018	2017
	\$	\$
<b>OPERATING GRANTS REVENUE</b>		
General operating and capital grants	69,812,637	67,988,863
Apprenticeship	8,727,154	9,175,395
Collaborative program grants	6,927,995	7,209,450
Federal projects	3,022,487	2,410,144
Employment Services	2,552,717	2,766,698
Literacy & Basic Skills	1,535,167	1,386,034
School College Works Initiative	1,285,412	1,481,155
Disability Services	1,179,299	1,132,668
Aboriginal grants	1,112,958	1,200,256
Municipal tax grant	783,825	808,125
Termination gratuities	199,294	157,737
Other	1,248,365	1,083,894
	<u>98,387,310</u>	<u>96,800,419</u>
<b>ANCILLARY REVENUE</b>		
Campus stores	5,120,380	5,358,298
Parking	3,616,842	3,482,829
Student residence	3,144,492	3,251,771
Food services	1,029,192	1,042,312
Facility rentals	494,470	640,045
Student life	299,625	263,506
Athletic and recreation centre	169,958	210,040
Other	142,736	345,565
	<u>14,017,695</u>	<u>14,594,366</u>
<b>OTHER REVENUE</b>		
Contract projects	6,415,038	4,631,561
Investment income	1,915,798	1,412,272
Student government	339,426	331,716
Donations	334,394	302,233
International projects	43,467	256,258
Miscellaneous	5,890,233	16,272,487
	<u>14,938,356</u>	<u>23,206,527</u>



**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Analysis of Ancillary Expenditures**

**For the year ended March 31, 2018, with comparative figures for 2017**

**Schedule 2**

	2018	2017
	\$	\$
Salaries and benefits	1,703,036	1,686,120
Cost of sales	3,911,121	4,042,315
Contracted services and professional fees	2,263,071	1,629,611
Supplies and other expenses	2,561,445	1,519,350
Utilities, maintenance and taxes	1,389,580	1,206,462
	<u>11,828,253</u>	<u>10,083,858</u>

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Analysis of Ontario Student Opportunity Trust Fund (OSOTF I)**

**For the year ended March 31, 2018, with comparative figures for 2017**

**Schedule 3**

	2018 (Book Value) \$	2017 (Book Value) \$
<b>Endowment Fund Balance</b>		
Fund Balance, beginning of year	5,558,697	5,520,998
Cash donations received	12,500	37,699
Preservation of capital	405,800	-
Fund Balance, end of year	<u>5,976,997</u>	<u>5,558,697</u>

**Expendable Funds Available for Awards**

Balance, beginning of year	752,487	753,747
Investment income, net of related expenses	162,080	155,469
Awards issued (2018-#184; 2017-#206)	(127,552)	(156,729)
Balance, end of year	<u>787,015</u>	<u>752,487</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2018 were \$5,976,997 and \$676,848 respectively.

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Analysis of Ontario Student Opportunity Trust Fund (OSOTF II)**

**For the year ended March 31, 2018, with comparative figures for 2017**

	2018 (Book Value) \$	2017 (Book Value) \$
<b>Endowment Fund Balance</b>		
Fund Balance, beginning of year	62,330	62,330
Preservation of capital	4,898	-
Fund Balance, end of year	<u>67,228</u>	<u>62,330</u>

**Expendable Funds Available for Awards**

Balance, beginning of year	23,992	19,092
Investment income, net of related expenses	1,848	4,900
Balance, end of year	<u>25,840</u>	<u>23,992</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2018 were \$67,228 and \$24,567 respectively.

**THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**Analysis of Ontario Trust for Student Support (OTSS)**

**For the year ended March 31, 2018, with comparative figures for 2017**

**Schedule 4**

	2018 (Book Value) \$	2017 (Book Value) \$
<b>Endowment Fund Balance</b>		
Fund Balance, beginning of year	7,519,560	7,620,697
Donor funds transferred to expendable funds	-	(66,838)
Funds repayable to Ministry	-	(56,833)
Cash donations received	19,497	22,534
Preservation of capital	424,886	-
Fund Balance, end of year	<u>7,963,943</u>	<u>7,519,560</u>
<b>Expendable Funds Available for Awards</b>		
Balance, beginning of year	593,414	562,997
Investment income, net of related expenses	202,169	184,299
Cash donations received	750	8,999
Donor funds transferred from endowment funds	-	66,838
Awards issued (2018-#127; 2017-#195)	(135,482)	(229,719)
Balance, end of year	<u>660,851</u>	<u>593,414</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2018 were \$7,963,943 and \$520,751 respectively.